

***THE TOWNSHIP OF SPRINGFIELD
SCHOOL DISTRICT***

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2014

***SCHOOL DISTRICT
OF
THE TOWNSHIP OF SPRINGFIELD***

***The Township of Springfield Board of Education
Springfield, New Jersey***

***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014***

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION

SPRINGFIELD, NEW JERSEY

For the Fiscal Year Ended June 30, 2014

Prepared by

***The Township of Springfield Board of Education
Finance Department***

STATE BOARD OF EDUCATION

ARCELIO APONTE..... President	Middlesex
JOSEPH FISICARO..... Vice President	Burlington
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RONALD K. BUTCHER.....	Gloucester
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**David C. Hespe, Acting Commissioner of Education
Secretary, State Board of Education**

THE TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

FINANCIAL SECTION

**THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION
P.O. BOX 210
SPRINGFIELD, NEW JERSEY 07081**

**(973) 376-1025 TEL
(973) 912-9229 FAX**

**Matthew A. Clarke
School Business Administrator/
Board Secretary**

November 30, 2014

Honorable President and
Members of the Board of Education
The Township of Springfield School District
County of Union, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR), of the Township of Springfield School District for the fiscal year ended June 30, 2014. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District has adopted this financial reporting model as required by the State of New Jersey. This reporting model will provide all users of this document with much more useful financial and statistical information. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Township of Springfield School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Township of Springfield Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as, special education for handicapped youngsters. The District completed the 2013-2014 fiscal year with an enrollment of 2,311 students, which is 60 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seventeen years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-14	2,311	2.67%
2012-13	2,251	3.64%
2011-12	2,172	(0.006)%
2010-11	2,185	(0.003)%
2009-10	2,192	6.10%
2008-09	2,066	0.54%
2007-08	2,055	(0.58)%
2006-07	2,067	(0.19)%
2005-06	2,071	(0.96)%
2004-05	2,091	2.55%
2003-04	2,039	1.69%
2002-03	2,005	4.26%
2001-02	1,923	3.67%
2000-01	1,855	2.49%
1999-00	1,810	1.51%
1998-99	1,783	2.41%
1997-98 *	1,741	37.63%
1996-97	1,265	3.27%

* As of July 1, 1997, the District went from PK through 8 to PK through 12 due to the dissolution of the Union County Regional School District #1.

2) ECONOMIC CONDITION AND OUTLOOK: Springfield Township School District and the community have enjoyed a relatively stable economic condition and financial outlook over the past decade, however with the two variables of state aid and revenue generation declining, and enrollment increasing, the financial impact has begun to negatively impact the school tax levy pushing it to a higher proportion of the total tax levy. This fiscal year saw no increase of state formula aid, and remains at 3/5th of the amount provided during the 2009-10 school year. These factors have created a heavy dependence on local tax revenue to support the schools.

3) MAJOR INITIATIVES: The district continues to work on improving its curriculum. Major efforts were made to ensure that it is aligned with the New Jersey Core Curriculum Content Standards. We have also provided extensive staff development to improve the teaching-learning process. The district reviewed its teacher evaluation process and offers a system that will help staff to reflect upon their practice and develop their skills. The district is committed to a differentiated instruction philosophy to promote the academic achievement of all students.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is

organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance in property and contents, and fidelity bonds.

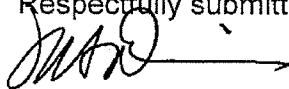
9) OTHER INFORMATION:

A) INDEPENDENT AUDIT - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Cannone & Company, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

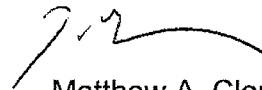
10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Township of Springfield School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

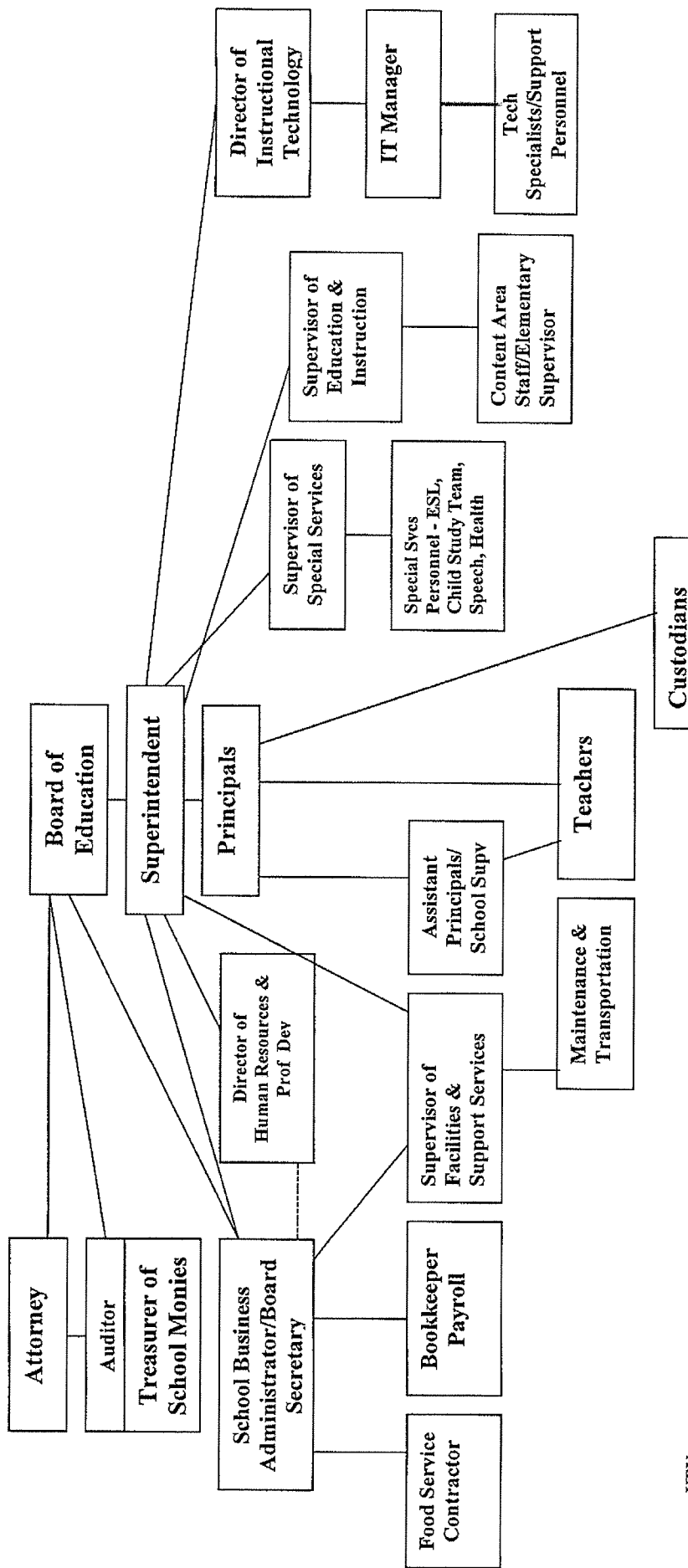


Michael Davino
Superintendent



Matthew A. Clarke
School Business Administrator/
Board Secretary

SPRINGFIELD PUBLIC SCHOOLS Organizational Chart



KEY
 -----denotes Lines of Cooperation
 _____denotes Lines of Authority

Rev Aug 1, 2013

**THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION
SPRINGFIELD, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2014**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jacqueline Shanes, President	2015
Scott Silverstein, Vice President	2016
Robin Cornelison	2015
Scott Donner	2016
Dermot McLeer	2015
Hector Munoz	2014
Scott Samansky	2014
Patricia Venezia	2016
Steven Wolcott	2014

Other Officials

Michael Davino, Superintendent

Matthew A. Clarke, School Business Administrator/Board Secretary

Katherine Herrigal, Treasurer

**THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION
SPRINGFIELD, NEW JERSEY**

**CONSULTANTS AND ADVISORS
June 30, 2014**

Architect

Design Idea Group
15 Bethany Street
New Brunswick, NJ 08901

Audit Firm

Cannone & Company, P.A.
485 Morris Avenue
Springfield, NJ 07081

Attorneys

Vito A. Gagliardi, Jr., Esq.
100 Southgate Parkway
P.O. Box 1997
Morristown, NJ 07962-1997

Official Depository

Investor Savings Bank
Dean Witter – New Jersey Cash Management

FINANCIAL SECTION

CANNONE AND COMPANY, P.A.*Certified Public Accountants*

485 Morris Avenue
Springfield, New Jersey 07081
(973) 379-6868
FAX (973) 379-6278

MEMBER:

American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
The Township of Springfield School District
County of Union
Springfield, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Springfield School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively compromise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles general accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Township of Springfield School District Board of Education, in the County of Union, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 58 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Springfield School District Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying introductory section, combining fund financial statements, financial schedules and statistical information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2014 on our consideration of Township of Springfield School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Springfield School District Board of Education's internal control over financial reporting and compliance.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, PA
Certified Public Accountants
Springfield, New Jersey

November 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 UNAUDITED

The discussion and analysis of Springfield School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GAS B) Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2013-2014) and the prior year (2012-2013) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2014 are as follows:

- In total, net assets increased \$3,194,821, which represents a 13.8 percent increase from 2013.
- General revenues accounted for \$34,090,553 in revenue or 87.5 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$4,851,455 or 12.5 percent of total revenues of \$38,925,874.
- Total assets of governmental activities totaled \$36,490,160 as unrestricted cash and cash equivalents totaled \$3,779,677, receivables totaled \$892,071, restricted assets totaled \$1,123,096, other assets totaled \$18,937 and net capital assets totaled \$30,676,379.
- The School District had \$38,940,110 in expenses; only \$4,851,455 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$34,672,385 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$38,468,815 in revenues and \$38,880,736 in expenditures. The General Fund's fund balance decreased \$411,921 over 2013. This decrease was anticipated by the Board of Education.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 UNAUDITED

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Springfield School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Springfield School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and ask the question, "How did we do financially during 2014?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of *accounting* takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 UNAUDITED

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 UNAUDITED

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements are part of this report.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2014 and comparison data for 2013.

	2014	2013
Assets		
Current and Other Assets	\$ 6,382,259	\$ 6,118,129
Capital Assets	30,676,379	27,856,474
Total Assets	\$ 37,058,638	\$ 33,974,603
Liabilities		
Long-term Liabilities	\$ 9,394,771	\$ 9,402,772
Other Liabilities	1,312,155	1,414,940
Total Liabilities	\$ 10,706,926	\$ 10,817,712
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 21,804,160	\$ 19,006,273
Restricted	2,875,119	3,069,740
Unrestricted	1,672,433	1,080,878
Total Net Assets	\$ 26,351,712	\$ 23,156,891

Table 1 Net Assets

The District's combined net assets were \$26,351,712 on June 30, 2014. Total assets increased by \$3,084,035 from the previous year, 2013. Total liabilities decreased by \$110,786 from the previous year, 2013. In total, the net assets increased by \$3,194,821 from the 2013 year.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 UNAUDITED

Table 2 shows changes in net assets for fiscal year 2014 and revenue and expense comparisons to fiscal year 2013.

Table 2

		<i>2014</i>	<i>2013</i>
Revenues			
Program Revenues:			
Charges for Services	\$	1,356,668	\$ 1,204,002
Operating Grants and Contributions		3,494,787	3,921,651
General Revenues:			
Property Taxes		34,672,385	34,119,837
Grants and Entitlements		1,624,296	1,413,480
Other		972,560	599,672
Total Revenues		37,269,241	\$ 36,132,989
Program Expenses			
Instruction		21,379,300	\$ 21,772,777
Support Services:			
Pupils and Instructional Staff		6,885,718	\$ 6,596,654
General Administration, School Administration, Business Operations and Maintenance of Facilities		7,308,665	7,701,632
Pupil Transportation		1,689,880	1,567,061
Special Schools		59,818	56,397
Interest on Debt		249,494	0
Food Service & Before/Aftercare		1,312,955	1,262,836
Total Expenses		38,885,830	\$ 38,957,475
Increase (Decrease) in Net Assets		(71,645)	\$ 1,530,070

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 UNAUDITED

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

On the revenue side, property taxes increased by \$552,548 (which included voter approved construction for debt of \$1,003,550) from the previous year 2013.

On the expense side, interest on debt increased by \$249,494.

Overall, net assets decreased by \$71,645 from the previous year 2013.

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 87.6 percent of revenues for governmental activities for the Springfield School District for fiscal year 2014. The District's total revenues were \$40,123,912 for the year ended June 30, 2014. Federal, state, and local grants accounted for another 12.4 percent of revenue.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service revenues received were \$509,507. A decrease of \$9,574 from the previous year 2013.
- Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$145,130.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 UNAUDITED

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$40,123,912 and expenditures were \$41,523,633. The net negative change in fund balance for the year was most significant in the General Fund, a decrease of \$1,399,721.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2013, and the amount and percentage for those revenues.

<i>Revenue</i>	<i>2014</i>		<i>2013</i>	
	<i>Amount</i>	<i>Percent of Total</i>	<i>Amount</i>	<i>Percent of Total</i>
Local sources	\$35,135,723	87.5	\$34,734,067	87.0
State Sources	4,439,084	11.1	4,689,262	11.7
Federal Sources	549,105	1.4	522,090	1.3
Total	\$40,123,912	100.00	\$39,945,419	100.00

Local revenues were the largest component of Total Revenues. The Local Tax Levy of \$34,672,385 represented 98.7 percent of the local source of revenues.

State sources largest component was for non-budgeted unallocated benefits, \$2,712,346 which represented 61.1% of the state source of revenues.

IDEA Basic funds represented the largest portion of Federal Revenues. These funds are used to educate children in special education programs.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 UNAUDITED

Capital Assets

At the end of the fiscal year 2014, the School District had \$30,676,379 invested in land, building, furniture and equipment, and vehicles.

Overall capital assets (net) increased \$2,819,904 from fiscal year 2013 to fiscal year 2014. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2014, the School District had \$10,517,511 of outstanding debt. Of this amount, \$1,645,292 is for compensated absences; \$1,342,219 for various capital leases, and \$7,530,000 of serial bonds for school construction.

For more detailed information, please refer to the Notes to the Financial Statements.

For the Future

The Springfield School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding allocation continues to lag in comparison to the 2008-09 State funding allocation.

Springfield School District's budget for 2014-15 was passed by the Board of Education, staying within the State mandated CAP. Springfield historically has stayed within the State CAP, continues to be fiscally responsible and looks for efficiencies in all aspects of school business.

In conclusion, the Springfield School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 UNAUDITED

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Matthew A. Clarke, School Business Administration/Board Secretary at Springfield Board of Education, 139 Mountain Avenue, P.O. Box 210, Springfield, NJ 07081. Please visit our website at www.springfieldschools.com.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

Springfield Board of Education
Statement of Net Position
6/30/2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,779,677	\$ 539,524	\$ 4,319,201
Investments			-
Receivables, net	892,071	22,701	914,772
Inventory		6,253	6,253
Restricted assets:			
Cash and cash equivalents			-
Capital reserve account - cash	1,123,096		1,123,096
Capital assets, net (Note 4):	30,676,379		30,676,379
Other assets	18,937		18,937
Total Assets	<u>36,490,160</u>	<u>568,478</u>	<u>37,058,638</u>
LIABILITIES			
Cash Overdraft			-
Accounts payable		141,104	141,104
Accrued Interest Expense	9,413		9,413
Deposits payable			-
Payable to federal government			-
Payable to state government	9,062		9,062
Payable to local government			-
Deferred revenue	18,214	11,622	29,836
Noncurrent liabilities (Note 5):			
Due within one year	1,122,740		1,122,740
Due beyond one year	9,394,771		9,394,771
Total liabilities	<u>10,554,200</u>	<u>152,726</u>	<u>10,706,926</u>
NET ASSETS			
Invested in capital assets, net of related debt	21,804,160		21,804,160
Restricted for:			
Debt service	3,300		3,300
Capital projects	2,393,818		2,393,818
Other purposes	478,001		478,001
Unrestricted	1,256,681	415,752	1,672,433
Total net assets	<u>\$ 25,935,960</u>	<u>\$ 415,752</u>	<u>\$ 26,351,712</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Springfield Board of Education
Statement of Activities
For the Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 14,690,444		\$ 1,597,700		\$ (13,092,744)	\$	\$ (13,092,744)
Special education	5,325,867		794,270		(4,531,597)		(4,531,597)
Other special instruction	484,175		67,597		(416,578)		(416,578)
Vocational					-		-
Other instruction	878,814		16,899		(861,915)		(861,915)
Nonpublic school programs					-		-
Adult/continuing education programs					-		-
Support services:							
Tuition	2,798,724	133,328			-		(2,665,396)
Student & instruction related services	4,086,994		357,761		(2,665,396)		(3,729,233)
School administrative services	1,579,456		118,295		(3,729,233)		(1,461,161)
General and business administrative serv	738,722		42,248		(696,474)		(696,474)
Plant operations and maintenance	4,446,902	25,213	245,041	14,236	(4,162,412)		(4,162,412)
Pupil transportation	1,689,880	14,168	59,148		(1,616,564)		(1,616,564)
Business and other support services	543,585		50,698		(492,887)		(492,887)
Special schools	59,818				(59,818)		(59,818)
Compensated Absences	54,280				(54,280)		(54,280)
Interest on long-term debt	249,494				(249,494)		(249,494)
Unallocated depreciation					-		-
Total governmental activities	<u>37,627,155</u>	<u>172,709</u>	<u>3,349,657</u>	<u>14,236</u>	<u>(34,090,553)</u>	<u>-</u>	<u>(34,090,553)</u>
Business-type activities:							
Food Service	625,144	509,507	145,130			29,493	29,493
Before/After Care	651,379	674,452				23,073	23,073
Total business-type activities	<u>1,276,523</u>	<u>1,183,959</u>	<u>145,130</u>	<u>-</u>	<u>-</u>	<u>52,566</u>	<u>52,566</u>
Total primary government	<u>\$ 38,903,678</u>	<u>\$ 1,356,668</u>	<u>\$ 3,494,787</u>	<u>\$ 14,236</u>	<u>\$ (34,090,553)</u>	<u>\$ 52,566</u>	<u>\$ (34,037,987)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 33,668,835	\$	\$ 33,668,835
Taxes levied for debt service					1,003,550		1,003,550
Federal and State aid not restricted					1,624,296		1,624,296
Investment Earnings					79,268	7,137	86,405
Miscellaneous Revenues					213,244	-	213,244
Adjustments:							
Capital projects fund balance					-		-
Fixed asset adjustments					(376,798)		(376,798)
Repayment of bond principal (net)					-		-
Capital lease payments					1,013,277		1,013,277
Interest expense							-
Total general revenues, special items, extraordinary items and transfers					<u>37,225,672</u>	<u>7,137</u>	<u>37,232,809</u>
Change in Net Assets					<u>3,135,119</u>	<u>59,703</u>	<u>3,194,822</u>
Net Assets—beginning					<u>22,800,841</u>	<u>356,049</u>	<u>23,156,890</u>
Net Assets—ending					<u>\$ 25,935,960</u>	<u>\$ 415,752</u>	<u>\$ 26,351,712</u>

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

GOVERNMENTAL FUNDS

**Springfield Board of Education
Balance Sheet
Governmental Funds
June 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	3,006,111	(370,529)	1,140,795	3,300	3,779,677
Investments					0
Capital Reserve Account	1,123,096				1,123,096
Receivables, net					0
Due from other funds					0
Receivables - State	383,276	645	14,236		398,157
Receivables - Federal		397,160			397,160
Accounts Receivable - Other			96,754		96,754
Interest receivable on investments					0
Inventory					0
Restricted cash and cash equivalents					0
Other assets			18,937		18,937
	<u>4,512,483</u>	<u>27,276</u>	<u>1,270,722</u>	<u>3,300</u>	<u>5,813,781</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					0
Accrued Interest					0
Interfund payable					0
Payable to federal government					0
Payable to state government		9,062			9,062
Payable to local government					0
Deferred revenue		18,214			18,214
Total liabilities	<u>0</u>	<u>27,276</u>	<u>0</u>	<u>0</u>	<u>27,276</u>
Fund Balances:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for					
Subsequent Year's Expenditures	68,212				68,212
Reserve for Excess Surplus	159,789				159,789
Maintenance Reserve	250,000				
Reserve for Capital Reserve	1,123,096				1,123,096
Committed Fund Balance					0
Reserve for Impact Aid					0
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures	270,272			3,300	273,572
Reserve for encumbrances	1,815,379		1,135,428		2,950,807
Unrestricted Fund Balance	<u>825,735</u>		<u>135,294</u>		<u>961,029</u>
Total Fund balances	<u>4,512,483</u>	<u>0</u>	<u>1,270,722</u>	<u>3,300</u>	<u>5,786,505</u>
Total liabilities and fund balances	<u>4,512,483</u>	<u>27,276</u>	<u>1,270,722</u>	<u>3,300</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Interest expense in the governmental funds is reported when due.

In the statement of activities, interest on long-term debt is accrued. (9,413)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$45,298,093 and the accumulated depreciation is \$14,621,714. 30,676,379

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5) (10,517,511)

Net assets of governmental activities 25,935,960

Springfield Board of Education
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 33,668,835			\$ 1,003,550	\$ 34,672,385
Transportation Fees	14,168				14,168
Rental Facilities	25,213				25,213
Interest on Investments	79,268				79,268
Tuition charges	133,228				133,228
Miscellaneous	211,461				211,461
Total - Local Sources	34,132,173	-	-	1,003,550	35,135,723
State sources	4,336,642	88,206	14,236		4,439,084
Federal sources		549,105			549,105
Total revenues	38,468,815	637,311	14,236	1,003,550	40,123,912
EXPENDITURES					
Current:					
Regular instruction	11,074,562	389,396			11,463,958
Special education instruction	2,558,411				2,558,411
Other special instruction	281,888				281,888
Vocational education					-
Other instruction	828,242				828,242
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					-
Tuition	2,798,724				2,798,724
Student & instruction related services	3,510,362	247,915			3,758,277
School administrative services	1,221,308				1,221,308
Other administrative services	608,295				608,295
Plant operations and maintenance	3,713,559				3,713,559
Pupil transportation	1,512,879				1,512,879
Business and other support services	391,870				391,870
Unallocated benefits	7,775,200				7,775,200
Special schools	59,818				59,818
Transfer to charter school					-
Debt service:					
Principal				755,000	755,000
Interest and other charges				248,550	248,550
Capital outlay	2,545,618		1,002,036		3,547,654
Total expenditures	38,880,736	637,311	1,002,036	1,003,550	41,523,633
Excess (Deficiency) of revenues over expenditures	(411,921)	-	(987,800)	-	(1,399,721)
OTHER FINANCING SOURCES (USES)					
Capital Leases	1,790,295				1,790,295
Transfers in			1,983,457		1,983,457
Transfers out	(1,983,457)				(1,983,457)
Fund Balance Adjustment				(5)	(5)
Total other financing sources and uses	(193,162)	-	1,983,457	(5)	1,790,290
Net change in fund balances	(605,083)	-	995,657	(5)	390,569
Fund balance—July 1	5,117,566		275,065	3,305	5,395,936
Fund balance—June 30	\$ 4,512,483	\$ -	\$ 1,270,722	\$ 3,300	\$ 5,786,505

**Springfield Board of Education
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014**

Total net change in fund balances - governmental funds (from B-2) **\$ 390,569**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(350,952)	
Fixed Asset Adjustment	(376,798)	
Capital outlays	3,547,654	2,819,904

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

755,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Proceeds of long-term debt

Accrued interest received on bond issuance

Capital lease proceeds

(1,790,295)

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Current year accrued interest or long-term debt which was paid in the subsequent year	(9,413)	
Prior year accrued interest on long term debt which was paid in the current year	10,357	
Compensated absences payable	(54,280)	
Capital leases payments	1,013,277	959,941

Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)

Change in net assets of governmental activities

\$ 3,135,119

PROPRIETARY FUNDS

Springfield Board of Education
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Funds		
	Food Service	Before/ After Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 80,340	459,184	\$ 539,524
Investments			-
Accounts receivable	20,887	1,814	22,701
Other receivables			-
Inventories	6,253		6,253
Total current assets	107,480	460,998	568,478
Noncurrent assets:			
Furniture, machinery & equipment	109,737		109,737
Less accumulated depreciation	(109,737)		(109,737)
Total noncurrent assets	-	0	-
Total assets	107,480	460,998	568,478
LIABILITIES			
Current liabilities:			
Accounts payable	141,104		141,104
Unearned Income	11,622		11,622
Compensated absences			-
Total current liabilities	152,726	0	152,726
Noncurrent Liabilities:			
Compensated absences			
Total noncurrent liabilities	-	0	-
Total liabilities	152,726	0	152,726
NET ASSETS			
Invested in capital assets net of related debt			-
Restricted for:			
Capital projects			-
Unrestricted	(45,246)	460,998	415,752
Total net assets	\$ (45,246)	460,998	\$ 415,752

Exhibit B-5

Springfield Board of Education
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities -		
	Enterprise Fund		
	Food Service	Before/After Care Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 486,633	\$ 674,452	\$ 1,161,085
Daily sales - non-reimbursable programs			-
Special functions	22,874		22,874
Community service activities			-
Transportation fees from other LEA's within the state			-
Deductions from employees' salaries			-
Miscellaneous			-
Total operating revenues	<u>509,507</u>	<u>674,452</u>	<u>1,183,959</u>
Operating expenses:			
Cost of sales	256,109		256,109
Salaries	218,152	512,185	730,337
Employee benefits	58,523	51,315	109,838
Purchased property service			-
Other purchased professional services			-
Student meals		64,732	64,732
Cleaning, repair and maintenance services			-
Insurance	8,803		8,803
General supplies	39,251	23,147	62,398
Miscellaneous expense	60,806		60,806
Depreciation			-
Food distribution program Expense	19,932		19,932
Total Operating Expenses	<u>661,576</u>	<u>651,379</u>	<u>1,312,955</u>
Operating income (loss)	<u>(152,069)</u>	<u>23,073</u>	<u>(128,996)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	4,328		4,328
Federal sources:			
National school lunch program	120,870		120,870
Special milk program			-
Food distribution program	19,932		19,932
Interest and investment revenue	1,234	5,903	7,137
Food service expense reimbursement	36,432		36,432
Total nonoperating revenues (expenses)	<u>182,796</u>	<u>5,903</u>	<u>188,699</u>
Income (loss) before contributions & transfers	<u>30,727</u>	<u>28,976</u>	<u>59,703</u>
Capital contributions			-
Transfers in (out)			-
Change in net assets	<u>30,727</u>	<u>28,976</u>	<u>59,703</u>
Total net assets—beginning	<u>(75,973)</u>	<u>432,022</u>	<u>356,049</u>
Total net assets—ending	<u>\$ (45,246)</u>	<u>\$ 460,998</u>	<u>\$ 415,752</u>

**Springfield Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014**

	Business-type Activities - Enterprise Funds		
	Food Service	Before/ After Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ (184,278)	\$ 18,906	\$ (165,372)
Payments to employees			-
Payments for employee benefits			-
Payments to suppliers			-
Net cash provided by (used for) operating activities	(184,278)	18,906	(165,372)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	4,328		4,328
Federal Sources	120,870		120,870
Operating subsidies and transfers to other funds			-
Food service expense reimbursement	36,432		36,432
Net cash provided by (used for) non-capital financing activities	161,630	-	161,630
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions			-
Purchases of capital assets			-
Gain/Loss on sale of fixed assets (proceeds)			-
Net cash provided by (used for) capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	1,234	5903	7,137
Proceeds from sale/maturities of investments			-
Net cash provided by (used for) investing activities	1,234	5,903	7,137
Net increase (decrease) in cash and cash equivalents	(21,414)	24,809	3,395
Balances—beginning of year	101,754	434,375	536,129
Balances—end of year	\$ 80,340	\$ 459,184	\$ 539,524
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (152,069)	23,073	(128,996)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			-
Depreciation and net amortization			-
(Increase) decrease in accounts receivable, net	17,103	5,995	23,098
(Increase) decrease in inventories	862		862
(Increase) decrease in other current assets			-
Increase (decrease) in accounts payable	(71,844)	(10,162)	(82,006)
Increase (decrease) in unearned income	1,738		1,738
Food Commodity Program	19,932		19,932
Total adjustments	(32,209)	(4,167)	(36,376)
Net cash provided by (used for) operating activities	\$ (184,278)	\$ 18,906	\$ (165,372)

FIDUCIARY FUNDS

Exhibit B-7

**Springfield Board of Education
Statement of Fiduciary Net Position
Fiduciary Funds
6/30/2014**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 22,056	\$ 907,097
Investments, at fair value:		
U.S. government obligations		
NJ municipal bonds		
Total investments	-	-
Total assets	<u>22,056</u>	<u>\$ 907,097</u>
LIABILITIES		
Accounts payable		
Payable to student groups		233,195
Payroll deductions and withholdings		163,547
Payable to teachers		510,355
Total liabilities	<u>-</u>	<u>\$ 907,097</u>
NET ASSETS		
Held in trust for unemployment claims and other purposes	<u>\$ 22,056</u>	
Reserved for scholarships		

Exhibit B-8

Springfield Board of Education
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan member	\$ 134,737
Other	
Total Contributions	<u>134,737</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	
Interest	88
Dividends	
Less investment expense	
Net investment earnings	<u>88</u>
Total additions	<u>134,825</u>
DEDUCTIONS	
Quarterly contribution reports	131,804
Unemployment claims	
Scholarships awarded	
Refunds of contributions	
Transfers	88
Total deductions	<u>131,892</u>
Change in net assets	2,932
Net assets—beginning of the year	19,124
Net assets—end of the year	<u>\$ 22,056</u>

NOTES TO THE FINANCIAL STATEMENTS

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Springfield School District Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued *Statement 34 Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District implemented these standards starting with the fiscal year-ending June 30, 2004. With the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. The District implemented the following other GASB Statements: Statement 33 -*Accounting and Financial & Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 - *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 - *Economic Condition Reporting- The Statistical Section*; Statement 45 -*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the result of operations of the District and the various fund and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2014.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity:

The Township of Springfield School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (Board). The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include two elementary schools and a junior/senior high school located in the Township of Springfield School District. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Type

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Expendable Trust Funds: Expendable trust funds are used to account for the assets that the District holds whose principal and income may be expended in the course of their designated operations so that they are depleted by the end of their designated life.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2014.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues"	\$ 38,483,789	629,302
Adjust for State Aid Payment:		
Add: Prior Year Payment	107,635	
Less: Current Year Payment	(122,609)	
Adjust for Encumbrances:		
Add Prior Year Encumbrances		26,223
Less Current Year Encumbrances		(18,214)
Total Revenues (GAAP Basis)	\$ <u>38,468,815</u>	\$ <u>637,311</u>
Uses/outflows of resources		
Actual amounts (budgetary) "total outflows"	\$ 38,880,736	629,302
Adjustments:		
Add Prior Year Encumbrances		26,223
Less Current Year Encumbrances		(18,214)
Total Expenditures (GAAP Basis)	\$ <u>38,880,736</u>	\$ <u>637,311</u>

E. Encumbrances:

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

G. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

H. Fixed Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets (continued):

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

I. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2014 there remained undisbursed accrued salaries in the amount of \$510,355.

J. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued):

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

K. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

L. Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

O. Memorandum Only - Total Columns:

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

P. Subsequent Events:

The Township of Springfield Board of Education has evaluated subsequent events occurring after June 30, 2014 through the date of November 30, 2014, which is the date the financial statements were available to be issued.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits:

New Jersey statutes require that school districts deposit public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agency of the United States that insure deposits. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds; or

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are to be redeemed within one year, except that up to 25% of the Fund may be invested in eligible securities which mature within two years; provided, however, that the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized.

The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

As of June 30, 2014, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Savings and Money Management	\$ 5,590,012
NJ Cash Management Account	\$ 15,832
	<u>\$ 5,605,844</u>
	=====

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

All of the balances were covered by the either federal depository insurance or by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Program Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 – Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 – Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 – Uncollateralized including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

As of June 30, 2014, the Board has funds invested and on deposit in checking accounts, Money Market/Statement Savings and New Jersey Cash Management Account. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are summarized as follows:

<u>Risk Category</u>	<u>Amount</u>
1	\$5,605,844
2	None
3	<u>None</u>
	\$5,605,844
	=====

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 3. CAPITAL ASSETS

Fixed asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	4,436	-	-	4,436
Construction in progress	-	1,002,036	-	1,002,036
Total capital assets not being depreciated	<u>4,436</u>	<u>1,002,036</u>	<u>-</u>	<u>1,006,472</u>
<i>Capital assets being depreciated:</i>				
Site improvements	510,259	-	-	510,259
Building and building improvements	29,619,098	-	-	29,619,098
Machinery and equipment	11,993,444	2,168,820	-	14,162,264
Totals at historical cost	<u>42,122,801</u>	<u>2,168,820</u>	<u>-</u>	<u>44,291,621</u>
Less accumulated depreciation for :				
Building and improvements	8,652,342	274,465	-	8,926,807
Equipment	5,618,420	76,487	-	5,694,907
Total	<u>14,270,762</u>	<u>350,952</u>	<u>-</u>	<u>14,621,714</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>27,852,039</u>	<u>1,817,868</u>	<u>-</u>	<u>29,669,907</u>
Governmental activity capital assets, net	<u>\$ 27,856,475</u>	<u>\$ 2,819,904</u>	<u>\$ -</u>	<u>\$ 30,676,379</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 109,737			\$ 109,737
Less accumulated depreciation	<u>109,737</u>			<u>\$ 109,737</u>
Enterprise fund capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 3. CAPITAL ASSETS (Continued)

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Instruction	\$ 270,281
Student and Instruction - Related Services	14,163
School Administrative Services	15,252
General and Business Administrative Services	5,447
Plant Operations and Maintenance	31,646
Pupil Transportation	7,626
Business and Other Support Services	6,537
Unallocated	-
Total	<u>\$ 350,952</u>

NOTE 4. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2014, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 07/01/13	Issued	Retired	Balance 06/30/13	Amounts Due Within One Year
Compensated Absences Payable	\$ 1,591,012	\$ 54,280		\$ 1,645,292	
Serial Bonds Payable	8,285,000		755,000	7,530,000	770,000
Capital Leases Payable	565,201	1,790,295	1,013,277	1,342,219	352,740
	<u>\$ 10,441,213</u>	<u>\$ 1,844,575</u>	<u>\$ 1,768,277</u>	<u>\$ 10,517,511</u>	<u>\$ 1,122,740</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 4. GENERAL LONG-TERM DEBT (Continued)

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

The District had bonds outstanding as of June 30, 2013 as follows:

Year	Principal	Interest	Total
2015	770,000	225,900	995,900
2016	785,000	202,800	987,800
2017	800,000	179,250	979,250
2018	820,000	155,250	975,250
2019	835,000	130,650	965,650
2020	850,000	105,600	955,600
2021	860,000	80,100	940,100
2022	900,000	54,300	954,300
2023	910,000	27,300	937,300
Total	7,530,000	1,161,150	8,691,150

B. Bonds Issued During the Year:

For the fiscal year ended June 30, 2014, the Board of Education did not issue any bonds.

C. Bonds Authorized But Not Issued:

As of June 30, 2014, the Board had no bonds authorized but not issued.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 4. GENERAL LONG-TERM DEBT (Continued)

D. Capital Leases Payable:

The District is leasing several copiers and computer equipment under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2014.

	<u>Total</u>
Year ending June 30,	
2015	\$ 355,747
2016	355,747
2017	355,747
2018	277,316
2018	<u>5,287</u>
Total Minimum Lease Payments	1,349,844
Less: Amount Representing Interest	<u>(7,625)</u>
Net Minimum Lease Payments	<u><u>\$ 1,342,219</u></u>

NOTE 5. PENSION PLANS

Plan Descriptions

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 5. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirements, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 5. PENSION PLANS (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members accounts.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 5. PENSION PLANS (Continued)

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$1,659,482 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District contributed \$1,052,864 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 6. POST-EMPLOYMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post retirement medical benefits. The state contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 6. POST-EMPLOYMENT BENEFITS (Continued)

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

For the fiscal year ended June 30, 2014, the State of New Jersey contributed on behalf of the District \$1,030,801 to the TPAF for post-retirement medical benefits.

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		
Special Revenue Fund		
Capital Projects Fund		
Debt Service Fund		
Enterprise Fund		
Trust and Agency Fund		
	<u>\$0</u>	<u>\$0</u>

These amounts represent temporary advances between the various funds.

NOTE 8. CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2013-2014 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal (USDA) reimbursements and is subject to certain related federal regulations. The federal reimbursements are subject to subsequent audit and

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 8. CONTINGENCIES (Continued)

interpretation by the New Jersey Department of Education. The Board and management do not believe such an audit would result in material amounts of disallowed costs.

NOTE 9. LITIGATION

The Board attorneys' report that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the financial position of the District except as noted below:

B.H. and H.H. o/b/o R.H. v. Springfield Board of Education, OAL Docket No.: EDU-05666-2014N: Petitioners' daughter was enrolled in the Springfield Public School District beginning in the 2012-2013 school year. In December 2013, Petitioners unilaterally withdrew their daughter from Springfield and placed her at SEARCH Consulting. In April 2014, Petitioners filed a Petition for Due Process seeking reimbursement for the unilateral placement. The matter was scheduled for hearing in the Office of Administrative Law beginning on September 23, 2014. The day before the hearing, Petitioners' reopened settlement discussions. The matter was amicably resolved at the start of the hearing.

J.S. o/b/o E. B. v. Springfield Board of Education: This matter is a residency appeal by the father of a former Springfield student who is contesting the Board's determination that he was not domiciled in Springfield for the time period 2011-2013 and, therefore, owes the District tuition for his daughter's attendance in the District during that time. The District's investigation into the Petitioner's residency was initially occasioned by a fire that destroyed Petitioner's home in Springfield. He informed the District that he would be moving with his daughter to Mountainside, where his father lived, while he rebuilt his home in Springfield. Time passed, and the District came to learn that Petitioner had never moved back into Springfield. Petitioner was unable to provide the District with proof of residency. At a hearing before the Board in August 2013, the Board determined that Petitioner was not domiciled in Springfield and owed the District tuition. In September 2013, Petitioner filed this appeal in the Office of Administrative Law. Several hearing dates have been adjourned by Petitioner due to him finding new counsel and then due to Petitioner's admittance into a rehabilitation program. The matter is presently scheduled for hearing in January 2015. Petitioner owes the District approximately \$36,000 in back tuition. His daughter has been disenrolled from the District as of the start of the 2014-2015 school year.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 9. LITIGATION (continued)

A.K. and D.K. o/b/o B.K. v. Springfield Board of Education: Petitioners' son, B.K. was enrolled in the District between 2010 and 2014. In November 2013, B.K. was evaluated by the Child Study Team and was determined not to be eligible to receive special education and related services. A 504 plan was prepared to adequately address B.K.'s needs. In February 2014, Petitioners filed for due process seeking classification, development of an IEP, and reimbursement for any costs associated with educating B.K. After the Petition was filed, Petitioners' unilaterally withdrew B.K. and placed him in a private school for special needs children. A hearing is scheduled for November 2014.

NOTE 10. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Springfield Board of Education for the accumulation of funds for use as capital outlay expenditures in future fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

During the fiscal year ended June 30, 2014, the District had actual interest earnings of \$12,235. Also in 2014, the Board of Education voted upon and passed a resolution to contribute \$1,000,000 into the Capital Reserve Account. The increase in the Capital Reserve is reflected in the attached financial statements.

NOTE 11. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$159,789.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 12. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term account group. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by a benefits management company, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The Board has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The Board offers several plan administrators for its employees to utilize.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 14. RISK MANAGEMENT

The Board has contracted with a commercial insurance company to provide coverage for various losses caused by the Board on its employees for losses sustained through other acts. The coverages are subject to various deductibles and coverage limits based on the type of policy coverage included. The coverages and its limits are detailed in the statistical section (Exhibit J-20).

The Board also maintains surety bond coverage on key financial employees.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of the balance in the Trust Fund for the current and previous two years.

<u>Fiscal Year</u>	<u>Ending Balance</u>
2013-2014	\$ 22,056
2012-2013	\$ 19,124
2011-2012	\$ 19,715

NOTE 15. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 16. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2014.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 17. SUBSEQUENT EVENTS

The Springfield School District Board of Education has evaluated subsequent events occurring after June 30, 2014 through the date of November 30, 2014, which is the date the financial statements were available to be issued.

NOTE 18. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

NOTE 19. GASB #54 – FUND BALANCE DISCLOSURES

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the New Hanover Board of Education classifies governmental fund balances as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned - includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

General Fund – Of the \$4,635,092 General Fund fund balance at June 30, 2014, \$228,001 is restricted for excess surplus; \$1,123,096 is restricted for the Capital Reserve Account; \$250,000 is restricted for the Maintenance Reserve; \$1,815,379 is assigned for other purposes; \$270,272 is assigned as designated for subsequent year's expenditures and \$948,344 is unassigned.

***REQUIRED SUPPLEMENTARY INFORMATION
PART II***

BUDGETARY COMPARISON SCHEDULES

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 33,668,835	\$ -	\$ 33,668,835	\$ 33,668,835	\$ -
Tuition	79,042	-	79,042	133,228	54,186
Transportation Fees	14,600	-	14,600	14,168	(432)
Rental of Facilities	15,000	-	15,000	25,213	10,213
Interest on Investments	-	-	-	67,033	67,033
Interest on Investments - Capital Reserve	400	-	400	12,235	11,835
Miscellaneous	300,000	-	300,000	211,461	(88,539)
Total - Local Sources	34,077,877	-	34,077,877	34,132,173	54,296
State Sources:					
Transportation Aid	68,276	-	68,276	68,276	-
Security Aid	39,644	-	39,644	39,644	-
Special Education Aid	743,150	-	743,150	743,150	-
Bilingual Education	-	-	-	-	-
Extraordinary Aid - Prior Year	-	-	-	-	-
Extraordinary Aid	200,000	-	200,000	306,683	106,683
School Choice	458,898	-	458,898	458,898	-
Non-Public Transportation-Prior Year	-	-	-	-	-
Non-Public Transportation	-	-	-	22,311	22,311
Other State Aid	-	-	-	308	308
TPAF Pension & Post-Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	1,659,482	1,659,482
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,052,864	1,052,864
Total State Sources	1,509,968	-	1,509,968	4,351,616	2,841,648
Federal Sources:					
Education Job Fund	-	-	-	-	-
Medicaid Reimbursement	-	-	-	-	-
Total - Federal Sources	-	-	-	-	-
Total Revenues	35,587,845	-	35,587,845	38,483,789	2,895,944
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	910,555	153,300	1,063,855	1,063,819	36
Grades 1-5 - Salaries of Teachers	3,729,964	(285,000)	3,444,964	3,443,576	1,388
Grades 6-8 - Salaries of Teachers	2,518,741	(23,650)	2,495,091	2,493,841	1,250
Grades 9-12 - Salaries of Teachers	3,364,041	154,000	3,518,041	3,517,241	800
Regular Programs - Home Instruction:					
Salaries of Teachers	30,000	(17,800)	12,200	11,592	608
Purchased Professional-Educational Services	5,000	1,600	6,600	6,502	98
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	6,000	15,150	21,150	20,454	696
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	112,939	(59,399)	53,540	47,302	6,238
General Supplies	442,869	(28,593)	414,276	393,164	21,112
Textbooks	138,128	34,275	172,403	77,071	95,332
Other Objects	-	-	-	-	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	11,258,237	(56,117)	11,202,120	11,074,562	127,558
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Cognitive - Mild	-	-	-	-	-
Cognitive - Moderate:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Cognitive - Moderate	-	-	-	-	-

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Learning and/or Language Disabilities:					
Salaries of Teachers	521,601	(166,700)	354,901	354,860	41
Other Salaries for Instruction	728,130	127,150	855,280	855,203	77
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	2,000	-	2,000	1,370	630
Textbooks		-			-
Other Objects		-			-
Total Learning and/or Language Disabilities	<u>1,251,731</u>	<u>(39,550)</u>	<u>1,212,181</u>	<u>1,211,433</u>	<u>748</u>
Visual Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Visual Impairments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Auditory Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Auditory Impairments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Behavioral Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Behavioral Disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Multiple Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Multiple Disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resource Room/Resource Center:					
Salaries of Teachers	894,800	333,653	1,228,453	1,228,445	8
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	6,000	2	6,002	5,785	217
Textbooks		-			-
Other Objects		-			-
Total Resource Room/Resource Center	<u>900,800</u>	<u>333,655</u>	<u>1,234,455</u>	<u>1,234,230</u>	<u>225</u>
Autism:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Autism	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	70,182	(6,050)	64,132	64,037	95
Other Salaries for Instruction	53,051	(11,400)	41,651	41,468	183
Purchased Professional-Educational Services	47,276	(38,900)	8,376	6,699	1,677
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	725	(50)	675	544	131
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Preschool Disabilities - Part-Time	171,234	(56,400)	114,834	112,748	2,086
Preschool Disabilities - Full-Time:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Preschool Disabilities - Full-Time	-	-	-	-	-
Cognitive - Severe:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Cognitive - Severe	-	-	-	-	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,323,765	237,705	2,561,470	2,558,411	3,059
Basic Skills/Remedial - Instruction					
Salaries of Teachers	151,426	(5,700)	145,726	145,661	65
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	1,000	-	1,000	-	1,000
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	152,426	(5,700)	146,726	145,661	1,065
Bilingual Education - Instruction					
Salaries of Teachers	135,183	1,045	136,228	136,227	1
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	600	-	600	-	600
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Bilingual Education - Instruction	135,783	1,045	136,828	136,227	601
School-Spon. Athletics - Inst.					
Salaries of Teachers	410,838	(42,500)	368,338	368,097	241
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	99,772	25,177	124,949	114,361	10,588
General Supplies	20,595	72,651	93,246	20,588	72,658
Textbooks	-	-	-	-	-
Other Objects	51,774	18,321	70,095	68,150	1,945
Total School-Spon. Athletics - Inst.	582,979	73,649	656,628	571,196	85,432

**Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	151,497	14,900	166,397	166,379	18
Purchased Services (300-500 series)	-	-	-	-	-
Supplies and Materials	12,062	(8,700)	3,362	3,253	109
Other Objects	-	-	-	-	-
Transfers to Cover Deficit (Agency Funds)	-	-	-	-	-
Total School-Spon. Cocurricular Actvts. - Inst.	163,559	6,200	169,759	169,632	127
Other Instructional Programs - Community Service					
Salaries	98,800	-	98,800	87,414	11,386
Purchased Services (300-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Transfers to Cover Deficit (Agency Funds)	-	-	-	-	-
Total Other Instructional Programs - Community Service	98,800	-	98,800	87,414	11,386
Total Instruction	14,715,549	256,782	14,972,331	14,743,103	229,228
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regional Day Schools	-	-	-	-	-
Tuition to Private Schools for the Handicapped - Within State	1,894,177	3,900	1,898,077	1,873,609	24,468
Tuition to Private Schools for the Handicapped - Outside NJ	-	-	-	-	-
Tuition -County Voc School-Regular	360,000	33,000	393,000	393,000	-
Tuition -County Voc School-Special	71,950	(17,000)	54,950	54,750	200
Tuition - State Facilities	-	7,726	7,726	7,554	172
Tuition - Other	-	-	-	-	-
Tuition - Other Lea Within State-Special	489,877	(13,749)	476,128	469,811	6,317
Total Undistributed Expenditures - Instruction:	2,816,004	13,877	2,829,881	2,798,724	31,157
Undistributed Expend. - Attendance Services					
Salaries	16,843	4,400	21,243	21,241	2
Total Undistributed Expend. - Attendance Services	16,843	4,400	21,243	21,241	2
Undistributed Expend. - Speech & Social Work					
Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undistributed Expend. - Speech & Social Work	-	-	-	-	-
Undist. Expend. - Health Services					
Salaries	392,859	10,125	402,984	401,865	1,119
Purchased Professional and Technical Services	718,047	(163,588)	554,459	506,984	47,475
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	10,978	100	11,078	10,123	955
Other Objects	-	-	-	-	-
Total Undistributed Expenditures - Health Services	1,121,884	(153,363)	968,521	918,972	49,549
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries of Other Professional Staff	209,210	8,825	218,035	218,025	10
Purchased Professional - Educational Services	-	-	-	-	-
Supplies and Materials	1,900	-	1,900	1,880	20
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	211,110	8,825	219,935	219,905	30
Undist. Expend. - Other Supp. Serv. Students-Reg.					
Salaries of Other Professional Staff	668,599	8,410	677,009	671,553	5,456
Salaries of Secretarial and Clerical Assistants	77,126	3,025	80,151	78,148	2,003
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	10,163	200	10,363	9,242	1,121
Other Objects	-	-	-	-	-
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	755,888	11,635	767,523	758,943	8,580
Undist. Expend. - Other Supp. Serv. Students - Special					
Salaries of Other Professional Staff	495,515	40,190	535,705	535,660	45
Salaries of Secretarial and Clerical Assistants	91,692	2,075	93,767	93,745	22
Supplies and Materials	2,500	-	2,500	2,143	357
Other Objects	15,485	(1,200)	14,285	12,997	1,288
Total Undist. Expend. - Other Supp. Serv. Students - Special	605,192	41,065	646,257	644,545	424
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	267,159	(173,500)	93,659	92,864	795
Salaries of Other Professional Staff	-	208,000	208,000	207,867	133
Salaries of Secr and Clerical Assist.	49,470	(27,000)	22,470	22,132	338
Other Salaries	-	-	-	-	-
Purchased Prof- Educational Services	-	-	-	-	-
Other Purch Prof. and Tech. Services	-	-	-	-	-
Other Purch Services (400-500)	62,450	(44,350)	18,100	11,918	6,182
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Improvement of Inst. Serv.	379,079	(36,850)	342,229	334,781	7,448

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	315,582	(30,565)	285,017	285,010	7
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	147,679	(53,816)	93,863	88,970	4,893
Other Objects	-	-	-	-	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	463,261	(84,381)	378,880	373,980	4,900
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	125,961	4,325	130,286	130,273	13
Salaries of Other Professional Staff	-	10,000	10,000	8,621	1,379
Salaries of Secretarial and Clerical Assist	57,329	2	57,331	57,329	2
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Serv	5,000	179	5,179	979	4,200
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	79,800	(39,300)	40,500	36,445	4,055
Supplies and Materials	5,000	475	5,475	2,888	2,587
Other Objects	5,000	-	5,000	1,460	3,540
Total Undist. Expend. - Instructional Staff Training Serv.	278,090	(24,319)	253,771	237,995	15,776
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	250,014	28,685	278,699	278,570	129
Legal Services	115,000	64,313	179,313	115,020	64,293
Other Purchased Professional Services	31,320	104,800	136,120	59,209	76,911
Communications/Telephone	148,946	(48,416)	100,530	67,587	32,943
Other Purchased Services (400-500 series)	68,634	(13,395)	55,239	53,895	1,344
Other Purchased Prof. and Tech. Services	19,850	-	19,850	87	19,763
Rental	2,700	-	2,700	2,700	-
Travel	8,250	(25)	8,225	3,786	4,439
Supplies and Materials	46,100	(31,526)	14,574	11,387	3,187
General Supplies	-	-	-	-	-
Judgements Against The School District	-	-	-	-	-
Miscellaneous Expenditures	18,615	-	18,615	16,054	2,561
Total Undist. Expend. - Supp. Serv. - General Admin.	709,429	104,436	813,865	608,295	205,570
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	817,172	8,010	825,182	817,213	7,969
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	314,309	42,000	356,309	338,760	17,549
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	106,887	(24,525)	82,362	65,335	17,027
Rental	-	-	-	-	-
Miscellaneous Expenditures	3,260	(2,275)	985	-	985
Total Undist. Expend. - Support Serv. - School Admin.	1,241,628	23,210	1,264,838	1,221,308	43,530
Undist. Expend. - Central Services					
Salaries	316,920	(8,000)	308,920	308,779	141
Other Purchased Services (400-500 series)	1,500	-	1,500	859	641
Supplies and Materials	7,500	-	7,500	4,370	3,130
Interest on Current Loans	-	-	-	-	-
Miscellaneous Expenditures	1,410	-	1,410	1,376	34
Total Undist. Expend. - Central Services	327,330	(8,000)	319,330	315,384	3,946
Undist. Expend. - Admin. Info. Tech.					
Salaries	76,512	-	76,512	76,486	26
Other Purchased Services	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Total Undist. Expend. - Admin. Info. Tech.	76,512	-	76,512	76,486	26
Undist. Expend. - Required Maint.- School Facilities					
Salaries	172,422	(5,710)	166,712	166,444	268
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Cleaning, Repair and Maintenance Services	212,500	1,136,010	1,348,510	821,418	527,092
Other Purchased Property Services	-	-	-	-	-
Insurance	-	-	-	-	-
Miscellaneous Purchased Services-Rental	-	-	-	-	-
General Supplies	68,500	223,561	292,061	104,323	187,738
Energy (Energy and Electricity)	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Required Maint.- School Facilities	453,422	1,353,861	1,807,283	1,092,185	715,098

**Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Salaries	1,273,374	(39,390)	1,233,984	1,233,857	127
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services	32,844	(20,400)	12,444	9,130	3,314
Cleaning, Repair and Maintenance Services	361,982	(42,837)	319,145	273,684	45,461
Other Purchased Property Services	42,500	(800)	41,700	41,663	37
Insurance	156,254	15,290	171,544	171,539	5
Miscellaneous Purchased Services-Rental		-			-
General Supplies	161,874	(23,560)	138,314	92,306	46,008
Energy (Energy and Electricity)	892,841	(170,711)	722,130	596,730	125,400
Other Objects	-	11,950	11,950	11,738	212
Total Undist. Expend. - Other Oper. & Maint. Of Plant	2,921,669	(270,458)	2,651,211	2,430,647	220,564
Undist. Expend. - Custodial Services					
Salaries	56,684	26,200	82,884	81,928	956
Purchased Professional and Technical Services	103,500	(3,300)	100,200	100,000	200
General Supplies	11,500	(2,500)	9,000	8,799	201
Total Undist. Expend. - Custodial Services	171,684	20,400	192,084	190,727	1,357
Undist. Expend. - Student Transportation Serv.					
Management Fees - ESC & CTSA Transportation Programs		-			-
Salaries of Non-Instructional Aides	104,587	(14,000)	90,587	87,625	2,962
Salaries - (Between Home and School) - Reg	179,873	53,900	233,773	233,731	42
Salaries - (Other than Bet. Home and School)	96,745	(54,200)	42,545	42,469	76
Cleaning, Repair and Maintenance Services	47,125	30,249	77,374	71,816	5,558
Contract Services - (Other than Bet. Home and School) - Vendors	15,200	16,179	31,379	31,301	78
Contract Services - (Between Home and School) - Joint		-			-
Contract Services - (Special Ed Stds) - Vendors		-			-
Contract Services - (Special Ed Stds) - Joint	285,517	52,000	337,517	333,516	4,001
Contract Services - (Reg Ed Stds) - ESCs & CTSA		-			-
Contract Services - (Special Ed Stds) - ESCs & CTSA	467,317	49,290	516,607	516,574	33
Aid in Lieu Of Pymts-NonPub Sch	132,600	(16,200)	116,400	114,036	2,364
Miscellaneous Purchasee Services-Transportation	17,099	(275)	16,824	16,796	28
Supplies and Materials	47,832	17,000	64,832	64,151	681
Other Objects	2,500	(1,600)	900	864	36
Total Undist. Expend. - Student Transportation Serv.	1,396,395	132,343	1,528,738	1,512,879	15,859
Undist. Expend. - Business and Other Support Serv.					
Salaries		-			-
Other Purchased Services (400-500 series)		-			-
Insurance		-			-
Supplies and Materials		-			-
Interest on Current Loans		-			-
Total Undist. Expend. - Business and Other Support Serv.	-	-	-	-	-
UNALLOCATED BENEFITS					
Group Insurance		-			-
Social Security Contributions	459,950	7,450	467,400	467,373	27
T.P.A.F. Contributions - ERIP		-			-
Other Retirement Contributions - Regular	465,722	(69,202)	396,520	396,441	79
Interest for Lease Purchase		-			-
Unemployment Compensation	65,000	10,650	75,650	56,600	19,050
Workmen's Compensation	177,773	9,750	187,523	187,515	8
Health Benefits	5,303,794	(166,950)	5,136,844	3,946,781	1,190,063
Tuition Reimbursement		-			-
Other Employee Benefits	23,146	(14,900)	8,246	8,144	102
TOTAL UNALLOCATED POST RETIRE. MED. CONTRIB.	6,495,385	(223,202)	6,272,183	5,062,854	1,209,329
On-behalf TPAF Pension Contributions (non-budgeted)		-		1,659,482	(1,659,482)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		1,052,864	(1,052,864)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	2,712,346	(2,712,346)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	6,495,385	(223,202)	6,272,183	7,775,200	(1,503,017)
TOTAL UNDISTRIBUTED EXPENDITURES	20,440,805	913,479	21,354,284	21,532,197	(179,201)
TOTAL GENERAL CURRENT EXPENSE	35,156,354	1,170,261	36,326,615	36,275,300	51,315
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Preschool/Kindergarten		-			-
Grades 1-5		-			-
Grades 6-8		-			-
Grades 9-12		-			-
Home Instruction		-			-

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education - Instruction:					
Cognitive - Mild	-	-	-	-	-
Cognitive - Moderate	-	-	-	-	-
Learning and/or Language Disabilities	-	-	-	-	-
Visual Impairments	-	-	-	-	-
Auditory Impairments	-	-	-	-	-
Behavioral Disabilities	-	-	-	-	-
Multiple Disabilities	-	-	-	-	-
Resource Room/Resource Center	-	-	-	-	-
Autism	-	-	-	-	-
Preschool Disabilities - Part-Time	-	-	-	-	-
Preschool Disabilities - Full-Time	-	-	-	-	-
Cognitive - Severe	-	-	-	-	-
Basic Skills/Remedial - Instruction	-	-	-	-	-
Bilingual Education - Instruction	-	-	-	-	-
Vocational Programs - Local - Instruction	-	-	-	-	-
School-Sponsored and Other Instructional Program	-	-	-	-	-
Undistributed Expenditures - Instruction	204,119	106,750	310,869	164,742	146,127
Undistributed Expenditures - Guidance	-	-	-	-	-
Undistributed Expenditures - Child Study Teams	-	4,500	4,500	4,438	62
Undist.Expend.-Support Serv.-Students - Spl.	-	-	-	-	-
Undist.Expend.-Support Serv. - Related & Extra	-	-	-	-	-
Undistributed Expenditures - General Admin.	2,400	2,500	4,900	4,900	-
Undistributed Expenditures - School Admin.	122,492	(91,760)	30,732	23,793	6,939
Undistributed Expenditures - Operation of Plant Services	-	-	-	-	-
Undistributed Expenditures - Required Maint for School Fac.	22,500	88,137	110,637	60,084	50,553
Undistributed Expenditures - Custodial Services	-	7,400	7,400	7,400	-
Undistributed Expenditures - Care and Upkeep of Grounds	-	-	-	-	-
Schools Buses - Regular	-	113,168	113,168	113,168	-
Special Schools (All Programs)	-	-	-	-	-
Total Equipment	<u>351,511</u>	<u>230,695</u>	<u>582,206</u>	<u>378,525</u>	<u>203,681</u>
Facilities Acquisition and Construction Services					
Construction Services	-	-	-	-	-
Architectural/Engineering Services	25,000	4,000	29,000	19,990	9,010
Other Purchased Prof. Service	30,000	(9,850)	20,150	20,121	29
Supplies and materials	260,000	39,150	299,150	-	299,150
Other Objects	57,595	(2,658)	54,937	54,927	10
Lease Purchase Agreements	281,760	-	281,760	281,760	-
Total Facilities Acquisition and Construction Services	<u>654,355</u>	<u>30,642</u>	<u>684,997</u>	<u>376,798</u>	<u>308,199</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Capital Leases	-	-	-	1,790,295	(1,790,295)
Assets Acquired Under Capital Leases (non-budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,790,295</u>	<u>(1,790,295)</u>
TOTAL CAPITAL OUTLAY	<u>1,005,866</u>	<u>261,337</u>	<u>1,267,203</u>	<u>2,545,618</u>	<u>(1,278,415)</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	56,442	-	56,442	56,430	12
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	2,600	2,550	5,150	3,388	1,762
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Summer School - Instruction	<u>59,042</u>	<u>2,550</u>	<u>61,592</u>	<u>59,818</u>	<u>1,774</u>
Summer School - Support Services					
Salaries	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Summer School - Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Summer School	<u>59,042</u>	<u>2,550</u>	<u>61,592</u>	<u>59,818</u>	<u>1,774</u>
Other Special Schools - Instruction					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Other Special Schools - Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Special Schools - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Other Special Schools - Support Services	-	-	-	-	-
Total Other Special Schools	-	-	-	-	-
Accred. Even./Adult H.S./Post-Grad.-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Inst.	-	-	-	-	-
Accred. Even./Adult H.S./Post-Grad.-Supp. Service					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service	-	-	-	-	-
Total Accred. Even./Adult H.S./Post-Grad.	-	-	-	-	-
Adult Education-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Adult Education-Local-Instruction	-	-	-	-	-
Adult Education-Local-Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Adult Education-Local-Support Serv.	-	-	-	-	-
Total Adult Education-Local	-	-	-	-	-
Vocational Evening-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Vocational Evening-Local-Instruction	-	-	-	-	-
Vocational Evening-Local-Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Vocational Evening-Local-Support Serv.	-	-	-	-	-
Total Vocational Evening-Local	-	-	-	-	-

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Even.-Sch.-Foreign-Born-Local-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Inst.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Even.-Sch.-Foreign-Born-Local-Sup. Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Even.-Sch.-Foreign-Born-Local	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SPECIAL SCHOOLS	<u>59,042</u>	<u>2,550</u>	<u>61,592</u>	<u>59,818</u>	<u>1,774</u>
Transfer of Funds to Charter Schools					-
TOTAL EXPENDITURES	<u>36,221,262</u>	<u>1,434,148</u>	<u>37,655,410</u>	<u>38,880,736</u>	<u>(1,225,326)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(633,417)</u>	<u>(1,434,148)</u>	<u>(2,067,565)</u>	<u>(396,947)</u>	<u>1,670,618</u>
Other Financing Sources(Uses):					
Operating Transfer In:		-			-
Transfer from Capital Projects		-		-	-
Operating Transfer Out:					
Transfer to Capital Projects Fund		-		(1,983,457)	1,983,457
Capital Leases (non-budgeted)		-		1,790,295	(1,790,295)
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>(193,162)</u>	<u>193,162</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(633,417)</u>	<u>(1,434,148)</u>	<u>(2,067,565)</u>	<u>(590,109)</u>	<u>1,863,780</u>
Fund Balance, July 1	<u>(589,495)</u>	<u>(3,998,456)</u>	<u>(4,587,951)</u>	<u>5,225,201</u>	<u>(9,813,152)</u>
Fund Balance, June 30	<u>\$ (1,222,912)</u>	<u>\$ (5,432,604)</u>	<u>\$ (6,655,516)</u>	<u>\$ 4,635,092</u>	<u>\$ (7,949,372)</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserve for Capital Reserve				\$ 1,123,096	
Maintenance Reserve				\$ 250,000	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				68,212	
Reserve for Excess Surplus				159,789	
Committed Fund Balance:					
Reserve for Impact Aid					
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				270,272	
Reserve for encumbrances				1,815,379	
Unrestricted Fund Balance				<u>948,344</u>	
Subtotal				<u>4,635,092</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(122,609)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,512,483</u>	

**Springfield Board of Education
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	89,770	7,497	97,267	88,206	(9,061)
Federal Sources	410,221	144,285	554,506	541,096	(13,410)
Total Revenues	499,991	151,782	651,773	629,302	(22,471)
EXPENDITURES:					
Instruction					
Salaries of Teachers	53,292	(49,292)	4,000	4,000	-
Other Salaries for Instruction	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Services	71,398	(509)	70,889	64,080	6,809
Purchased Professional and Technical Services	-	-	-	-	-
Supplies and Materials	20,970	(14,277)	6,693	6,693	-
Other Purchased Services (400-500 series)	335,959	(335,959)	-	-	-
General Supplies	-	22,038	22,038	22,038	-
Textbooks	7,694	1,960	9,654	9,576	78
Tuition	-	275,000	275,000	275,000	-
Total Instruction	489,313	(101,039)	388,274	381,387	6,887
Support Services					
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretaries & Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Personal Services - Employee Benefits	-	920	920	920	-
Purchased Professional Services	10,678	195,579	206,257	192,847	13,410
Other Purchased Professional Services	-	55,322	55,322	53,148	2,174
Purchased Technical Services	-	-	-	-	-
Rentals	-	-	-	-	-
Contracted Services Transportation	-	-	-	-	-
Tuition	-	-	-	-	-
Travel	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies & Materials	-	1,000	1,000	1,000	-
Other Objects	-	-	-	-	-
Total Support Services	10,678	252,821	263,499	247,915	15,584

Springfield Board of Education
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.)					
Facilities Acquisition and Construction Services:					
Buildings	-	-	-	-	-
Instructional Equipment	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Transfer to Charter School					
Total Expenditures	499,991	151,782	651,773	629,302	22,471
Other Financing Sources (Uses)					
Transfer in from General Fund	-	-	-	-	-
Transfer Out to Whole School Reform (General Fund)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	499,991	151,782	651,773	629,302	22,471
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Springfield Board of Education
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2014

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 38,483,789	[C-2]	\$ 629,302
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
Prior year				26,223
Current year				(18,214)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(122,609)		
Prior year state aid payment recognized for GAAP purposes in current year		107,635		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 38,468,815</u>	[B-2]	<u>\$ 637,311</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	38,880,736	[C-2]	629,302
Differences - budget to GAAP				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes:				
Prior year				26,223
Current year				(18,214)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 38,880,736</u>	[B-2]	<u>\$ 637,311</u>

OTHER SUPPLEMENTARY INFORMATION

***SPECIAL REVENUE FUND
DETAIL STATEMENTS***

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Township of Springfield
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total		Title I Part A	Title II Part A	Title III Part A	I.D.E.A. Part B		Total
	Brought Forward (Ex. E-1b)					Basic 2013-2014	Preschool 2013-2014	
REVENUES								
Local Sources								
State Sources	88,206		86,091	27,901	6,693	404,813	15,598	\$ 88,206
Federal Sources								541,096
Total Revenues	88,206	86,091	27,901	27,901	6,693	404,813	15,598	629,302
EXPENDITURES:								
Instruction:								
Salaries of Teachers		4,000						4,000
Other Salaries for Instruction								-
Purchased Professional - Educational Services	64,080							64,080
Purchased Professional and Technical Services								-
Other Purchased Services (400-500 series)								-
Tuition						275,000		275,000
General Supplies		15,000				7,038		22,038
Textbooks	9,576							9,576
Other Objects								-
Supplies and Materials					6,693			6,693
Total instruction	73,656	19,000	-	-	6,693	282,038	-	381,387
Support services:								
Salaries of Other Professional Staff								-
Other Salaries								-
Personal Services - Employee Benefits		920						920
Purchased Professional Services		66,171		26,901		99,775		192,847
Other Purchased Professional Services						23,000	15,598	53,148
Purchased Technical Services	14,550							-
Rentals								-
Travel								-
Other Purchased Services (400-500 series)								-
Supplies & Materials				1,000				1,000
Total support services	14,550	67,091	27,901	27,901	-	122,775	15,598	247,915

Township of Springfield
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1b)		Title I Part A	Title II Part A	Title III Part A	I.D.E.A. Part B		Total
						Basic 2013-2014	Preschool 2013-2014	
EXPENDITURES (CONT'D):								
Facilities acquisition and const. serv.:								
Buildings								-
Instructional Equipment								-
Noninstructional Equipment								-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Transfer to Charter Schools								-
Total Expenditures	88,206	86,091	27,901	6,693	404,813	15,598		629,302
Other Financing Sources								
Transfer in from General Fund								-
Contribution to Whole School Reform								-
	-	-	-	-	-	-	-	-
Total Outflows	88,206	86,091	27,901	6,693	404,813	15,598		629,302
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Township of Springfield School District
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)
For the Fiscal Year Ended June 30, 2014

	N.J. Nonpublic Auxiliary Services Ch. 192											Total Carried Forward
	N.J. Nonpublic Nursing Services	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Technology Services	English as a Second Language			Home Instruction	N.J. Nonpublic Handicapped Services Ch. 193				
				Transportation	Compensatory Education			Supplemental Instruction	Examination & Classification	Corrective Speech		
REVENUES												
State Sources	\$ 11,413	\$ 9,576	\$ 3,500	\$ 3,137	\$ 41,943	\$ 1,920	\$ 645	\$ 4,857	\$ 6,528	\$ 4,687	\$ 88,206	
Total Revenues	11,413	9,576	3,500	3,137	41,943	1,920	645	4,857	6,528	4,687	88,206	
EXPENDITURES												
Instruction:												
Purchased Professional - Educational Services		3,500		41,943	1,920		645	4,857	6,528	4,687	64,080	
Textbooks		9,576									9,576	
Total instruction	-	9,576	3,500	-	41,943	1,920	645	4,857	6,528	4,687	73,656	
Support Services:												
Other Purchased Professional Services	11,413			3,137							14,550	
Total Support Services	11,413	-	-	3,137	-	-	-	-	-	-	14,550	
Total Expenditures	11,413	9,576	3,500	3,137	41,943	1,920	645	4,857	6,528	4,687	88,206	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

***CAPITAL PROJECTS FUND
DETAIL STATEMENTS***

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

Springfield Board of Education
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2014

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Adjustments	Unexpended Balance June 30, 2014
			Prior Years	Current Year		
Renovations to Five Existing School Buildings Plus The Addition of Classroom/Media Center	01/28/03	\$ 18,917,980	18,274,418	66,953	\$ -	576,609
Regular Operating District Grant (ROD-3)	01/11/10	4,037,663	1,684,141		(2,353,522)	-
JDHS Athletic Facility (Turf Field)	08/27/12	3,335,352	2,730,612	639,887	35,147	-
Brick Façade - Phase I	08/19/13	961,770	-	856,044	-	105,726
Tree Top Property Remediation	08/01/13	371,875	-	63,386	-	308,489
Regular Operating District Grant (ROD-4)		3,104,915	-	35,590	-	3,069,325
		<u>\$ 30,729,555</u>	<u>\$ 22,689,171</u>	<u>\$ 1,661,860</u>	<u>\$ (2,318,375)</u>	<u>\$ 4,060,149</u>

Exhibit F-2

Springfield Board of Education
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2014

Revenues and Other Financing Sources:

Transfers from General Fund	\$ 1,983,457
Transfers from Township	639,887
Receivable Due From State	<u>14,236</u>
Total Revenues	<u>2,637,580</u>

Expenditures and Other Financing Uses:

Other Purchased Professional and Technical Services	
Construction services	<u>1,641,923</u>
Total Expenditures	<u>1,641,923</u>

Excess (Deficiency) of revenues over (under) expenditures	995,657
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Fund Balance - Beginning	<u>275,065</u>
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Fund Balance - Ending	<u><u>\$ 1,270,722</u></u>
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***PROPRIETARY FUNDS
DETAIL STATEMENTS***

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND B-6.

<p><i>FIDUCIARY FUNDS DETAIL STATEMENTS</i></p>
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Fiduciary Funds are used to account for funds received by the school district for a specific purpose. Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

Exhibit H-1

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Agency		Trust		
	Student Activities	Payroll	Total Agency	Unemployment Compensation	Total Trust
ASSETS:					Totals
Cash and Cash Equivalents	\$ 233,195	\$ 673,902	\$ 907,097	\$ 22,056	\$ 929,153
Total Assets	\$ 233,195	\$ 673,902	\$ 907,097	\$ 22,056	\$ 929,153
LIABILITIES:					
Accounts Payable	\$	\$	\$	\$	\$
Interfund Payable - General Fund			-	-	-
Accrued Salaries and Wages		510,355	510,355	-	510,355
Payroll Deductions and Withholdings		163,547	163,547	-	163,547
Due to Student Groups	233,195		233,195	-	233,195
Total Liabilities	\$ 233,195	\$ 673,902	\$ 907,097	\$ -	\$ 907,097
NET ASSETS:					
Reserved for Unemployment Claims	\$	\$	\$	\$ 22,056	\$ 22,056
Reserved for Flexible Spending Claims				-	-
Total Net Assets	\$ -	\$ -	\$ -	\$ 22,056	\$ 22,056

Exhibit H-3

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Schools</u>	<u>Balance 7/01/2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance 6/30/14</u>
Early childhood center:				
Edward V. Walton	\$ 17,539	\$ 8,178	7,110	\$ 18,607
Elementary Schools:				
James Caldwell	\$ 6,856	\$ 8,720	9,838	\$ 5,738
Thelma L. Sandmeier	6,768	7,388	6,324	7,832
Middle School:				
Florence M. Gaudineer	\$ 75,358	\$ 87,564	83,573	\$ 79,349
High schools:				
Jonathan Dayton	\$ 125,350	\$ 194,851	201,221	\$ 118,980
Athletic Activities	<u>14,450</u>	<u>25,043</u>	<u>36,804</u>	<u>2,689</u>
	\$ <u>246,321</u>	\$ <u>331,744</u>	\$ <u>344,870</u>	\$ <u>233,195</u>

Exhibit H-4

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
ASSETS:				
Cash and cash equivalents	\$ <u>581,041</u>	\$ <u>25,509,748</u>	\$ <u>25,416,887</u>	\$ <u>673,902</u>
Total assets	\$ <u><u>581,041</u></u>	\$ <u><u>25,509,748</u></u>	<u>25,416,887</u>	\$ <u><u>673,902</u></u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 138,132	\$ 24,731,133	\$ 24,705,718	\$ 163,547
Accrued salaries and wages	<u>442,909</u>	<u>778,615</u>	<u>711,169</u>	<u>510,355</u>
Total liabilities	\$ <u><u>581,041</u></u>	\$ <u><u>25,509,748</u></u>	\$ <u><u>25,416,887</u></u>	\$ <u><u>673,902</u></u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, mortgages payable, term loans and obligations under capital leases.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS AND LOANS
June 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities of Bonds and Loans Outstanding June 30, 2014		Interest Rate	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
			Date	Amount					
Refunding School Bonds; Advance refunded \$8,774,000 of the Bonds originally issued on 06/30/03 and maturing on or after 06/15/23	11/13/12	8,485,000	06/15/15	770,000	3.00%	8,285,000		755,000	7,530,000
			06/15/16	785,000					
			06/15/17	800,000					
			06/15/18	820,000					
			06/15/19	835,000					
			06/15/20	850,000					
			06/15/21	860,000					
			06/15/22	900,000					
			06/15/23	910,000					
Totals						8,285,000	0	755,000	7,530,000

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
June 30, 2014

Series	Amount of Original Issue	Amount Outstanding July 1, 2013	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2014
Photocopiers (Savin #9025 Digital)	14,686	1,682		1,682	0
Apple Computers (#7400156)	1,250,000	563,519		563,519	0
Photocopiers-Xerox (8 units)	69,288	0	69,288	8,188	61,100
Apple Computers	1,721,007	0	1,721,007	439,888	1,281,119
		\$ 565,201	\$ 1,790,295	\$ 1,013,277	\$ 1,342,219

**Township of Springfield School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,003,550	\$ -	\$ 1,003,550	\$ 1,003,550	\$ -
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	-	-	-	-	-
Total Revenues	1,003,550	-	1,003,550	1,003,550	-
EXPENDITURES:					
Regular Debt Service:					
Interest	248,550	-	248,550	248,550	-
Redemption of Principal	755,000	-	755,000	755,000	-
Total Regular Debt Service	1,003,550	-	1,003,550	1,003,550	-
Total expenditures	1,003,550	-	1,003,550	1,003,550	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Fund Balance Adjustment	-	-	-	(5)	(5)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	(5)	(5)
Fund Balance, July 1	3,305	-	3,305	3,305	-
Fund Balance, June 30	<u>\$ 3,305</u>	<u>\$ -</u>	<u>\$ 3,305</u>	<u>\$ 3,300</u>	<u>\$ (5)</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>		<u>\$ 3,305</u>	<u>\$ 3,300</u>	<u>\$ (5)</u>

STATISTICAL SECTION

INTRODUCTION TO THE STATISTICAL SECTION

**Springfield Board of Education
Introduction to the Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	81-87
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	88-91
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	92-95
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	96-97
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	98-102

FINANCIAL TRENDS

Exhibit J-1

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Net Assets by Component,
For the Year Ended June 30, 2014
(accrual basis of accounting)

	2013	2014
Governmental activities		
Invested in capital assets, net of related debt	\$ 19,006,273	\$ 21,804,160
Restricted	3,069,740	2,875,119
Unrestricted	724,829	1,256,681
Total governmental activities net assets	<u>\$ 22,800,842</u>	<u>\$ 25,935,960</u>
Business-type activities		
Invested in capital assets, net of related debt		
Restricted		
Unrestricted	356,049	415,752
Total business-type activities net assets	<u>\$ 356,049</u>	<u>\$ 415,752</u>
District-wide		
Invested in capital assets, net of related debt	\$ 19,006,273	\$ 21,804,160
Restricted	3,069,740	2,875,119
Unrestricted	1,080,878	1,672,433
Total district net assets	<u>\$ 23,156,891</u>	<u>\$ 26,351,712</u>

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Changes in Net Assets/Net Position
Last Eight Fiscal Years
(accrual basis of accounting)

Expenses	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities								
Instruction								
Regular	\$ 14,089,887	\$ 14,408,815	\$ 14,590,402	\$ 14,599,277	\$ 14,282,597	\$ 14,789,703	\$ 15,418,585	\$ 14,690,444
Special education	3,213,737	3,020,340	3,043,120	3,201,262	4,451,321	4,679,412	5,086,541	5,325,867
Other special education	484,471	516,689	483,361	594,421	492,702	545,467	483,635	484,175
Vocational								
Other instruction	1,471,312	1,504,184	1,436,489	1,577,970	795,729	776,530	784,016	878,814
Nonpublic school programs								
Adult/continuing education programs								
Support Services:								
Tuition	1,616,418	2,047,375	2,142,268	2,416,730	2,412,685	2,767,824	2,517,149	2,798,724
Student & instruction related services	3,570,995	3,610,529	3,383,318	3,890,691	3,746,737	3,951,796	4,079,505	4,086,994
School Administrative services	1,387,121	1,411,707	1,444,997	1,534,022	1,496,572	1,507,235	1,563,798	1,579,456
General administration	1,369,499	1,326,526	1,075,283	847,846	700,443	850,177	690,941	738,722
Central Services								
Plant operations and maintenance	3,487,289	3,942,387	3,814,751	4,381,275	4,057,042	3,899,941	4,893,280	4,446,902
Administrative information technology								
Pupil transportation	1,397,212	1,518,400	1,538,935	1,445,442	1,393,058	1,498,751	1,567,061	1,689,880
Other support services	508,116	564,726	522,699	518,613	517,685	532,330	553,604	543,585
Special Schools	66,424	48,114	43,379	48,549	59,203	62,300	56,397	59,818
Charter Schools								
Interest on long-term debt	514,893	479,400	444,475	427,925	407,750	386,825	4,862	249,494
Compensated Absences	193,249	202,264	202,264	75,898	52,924	57,270	10,297	54,280
Total governmental activities expenses	33,177,374	34,592,441	34,165,741	35,559,921	34,866,448	36,305,561	37,709,671	37,627,155
Business-type activities:								
Food service	613,490	677,258	700,588	614,726	624,338	753,230	704,127	625,144
Child Care	146,515	184,480	262,161	356,981	357,898	425,884	558,836	651,379
Total business-type activities expense	760,005	861,738	962,749	971,707	982,236	1,179,114	1,262,963	1,276,523
Total district expenses	\$ 33,937,379	\$ 35,454,179	\$ 35,128,490	\$ 36,531,628	\$ 35,848,684	\$ 37,484,675	\$ 38,972,634	\$ 38,903,678
Program Revenues								
Governmental activities:								
Charges for services:								
Instruction (tuition)			\$ 76,465	\$ 59,293	\$ 53,960	\$ 75,416	\$ 85,893	\$ 133,328
Plant operations and maintenance					21,750	20,913	28,150	25,213
Pupil transportation			14,663	10,175	11,684	14,203	11,876	14,168
Central and other support services								
Operating grants and contributions	3,611,696	3,639,938	2,704,269	2,778,225	2,960,363	3,297,083	3,797,872	3,349,657
Capital grants and contributions					137,125	505,153		14,236
Total governmental activities program revenues	3,611,696	3,639,938	2,795,397	2,847,693	3,184,882	3,912,768	3,923,791	3,536,602

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Changes in Net Assets/Net Position
Last Eight Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:								
Charges for services								
Food service	573,611	597,113	578,760	484,238	509,778	586,232	519,081	509,507
Child care	215,952	302,645	359,000	375,136	414,544	482,733	559,002	674,452
Operating grants and contributions	71,869	87,586	95,363	97,548	120,565	110,036	123,779	145,130
Capital grants and contributions								
Total business type activities program revenues	861,432	987,344	1,033,123	956,922	1,044,887	1,179,001	1,201,862	1,329,089
Total district program revenues	\$ 4,473,128	\$ 4,627,282	\$ 3,828,520	\$ 3,804,615	\$ 4,229,769	\$ 5,091,769	\$ 5,125,653	\$ 4,865,691
Net (Expense)/Revenue								
Governmental activities	\$ (29,565,678)	\$ (30,952,503)	\$ (31,370,344)	\$ (32,712,228)	\$ (31,681,566)	\$ (32,392,793)	\$ (33,785,880)	\$ (34,090,553)
Business-type activities	101,427	125,606	70,374	(14,785)	62,651	(113)	(61,101)	52,566
Total district-wide net expense	\$ (29,464,251)	\$ (30,826,897)	\$ (31,299,970)	\$ (32,727,013)	\$ (31,618,915)	\$ (32,392,906)	\$ (33,846,981)	\$ (34,037,987)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 27,761,228	\$ 28,595,884	\$ 29,692,363	\$ 30,561,479	\$ 31,775,534	\$ 32,411,045	\$ 33,008,662	\$ 33,668,835
Taxes levied for debt service	1,253,100	1,257,675	1,276,125	928,549	1,093,025	1,107,475	1,111,175	1,003,550
Unrestricted grants and contributions	1,677,265	1,559,416	1,742,977	1,571,661	426,267	1,057,515	1,413,480	1,624,296
Tuition Received	80,800	69,883						
Investment earnings	171,645	182,310	103,111	141,386	119,998	113,124	118,420	79,268
Miscellaneous income								
Capital lease payments	782,949	458,024	321,748	386,207	301,103	333,820	444,826	213,244
Fixed asset adjustment		39,375	70,688	87,821	199,799	358,735	335,529	1,013,277
Capital projects fund adjustment						(314,543)	(312,740)	(376,798)
Repayment of bond principal(net)							-	-
Interest expense								
Total governmental activities	31,726,987	32,162,567	33,207,012	33,677,103	33,915,726	35,067,171	36,119,352	37,225,672
Business-type activities:								
Investment earnings	3,855	1,932	2,088	2,338	1,702	9,902	8,775	7,137
Transfers								
Total business-type activities	3,855	1,932	2,088	2,338	1,702	9,902	8,775	7,137
Total district-wide	\$ 31,730,842	\$ 32,164,499	\$ 33,209,100	\$ 33,679,441	\$ 33,917,428	\$ 35,077,073	\$ 36,128,127	\$ 37,232,809
Change in Net Assets								
Governmental activities	\$ 2,161,309	\$ 1,210,064	\$ 1,836,668	\$ 964,875	\$ 2,234,160	\$ 2,674,378	\$ 2,333,472	\$ 3,135,119
Business-type activities	105,282	127,538	72,462	(12,447)	64,353	9,789	(52,326)	59,703
Total district	\$ 2,266,591	\$ 1,337,602	\$ 1,909,130	\$ 952,428	\$ 2,298,513	\$ 2,684,167	\$ 2,281,146	\$ 3,194,822

Exhibit J-3

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Fund Balances, Governmental Funds,
For the Year Ended June 30, 2014
(modified accrual basis of accounting)

	2013	2014
General Fund		
Reserved	\$ 2,791,370	\$ 1,601,097
Committed		
Assigned	1,439,126	2,085,651
Unreserved	887,070	825,735
Total general fund	<u>\$ 5,117,566</u>	<u>\$ 4,512,483</u>
All Other Governmental Funds		
Reserved		
Assigned, reported in:		
Capital projects fund	\$ 6,590	\$ 1,135,428
Debt service fund		\$ 3,300
Unreserved, reported in:		
Special revenue fund	-	-
Capital projects fund	268,475	135,294
Debt service fund	3,305	
Permanent fund	-	-
Total all other governmental funds	<u>\$ 278,370</u>	<u>\$ 1,274,022</u>

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Local Tax levy	\$ 34,672,385	\$ 34,119,837	\$ 33,518,520	\$ 32,868,559	\$ 31,490,028	\$ 30,968,488	\$ 29,853,559	\$ 29,014,328	\$ 27,438,043	\$ 26,315,736
Other Local Revenue	463,338	614,230	691,567	581,371	560,278	627,481	725,910	673,791	747,430	419,760
State sources	4,439,084	4,689,262	3,636,571	2,575,611	3,632,502	3,781,473	4,673,580	4,670,431	3,529,053	3,522,683
Federal sources	549,105	522,090	583,400	794,031	709,825	554,328	496,069	590,649	504,688	470,622
Total revenue	40,123,912	39,945,419	38,430,058	36,819,572	36,392,633	35,931,770	35,749,118	34,949,199	32,219,214	30,728,801
Expenditures										
Instruction:										
Regular	11,074,562	10,974,302	10,604,825	10,324,098	10,391,075	10,281,019	9,874,452	9,886,713	10,184,941	9,642,802
Special	2,558,411	2,441,128	2,319,024	2,233,785	2,217,982	2,057,258	1,966,854	1,812,345	1,784,541	1,532,639
Other	281,888	258,606	342,539	302,307	416,421	312,669	325,464	300,925	225,365	334,012
School-Sponsored/Other Instructional	828,242	727,759	725,798	748,130	776,971	668,375	643,667	645,356	620,295	537,128
Total Instruction	14,743,103	14,401,795	13,992,186	13,608,320	13,802,449	13,319,321	12,810,437	12,645,339	12,815,142	12,046,581
Undistributed:										
Instruction	2,798,724	2,517,149	2,767,824	2,412,685	2,416,730	2,142,267	2,047,375	1,616,418	1,497,465	1,418,136
Support Services-Students	3,510,362	3,469,909	3,176,554	3,040,600	3,177,843	3,088,914	2,798,629	2,799,957	2,910,658	2,564,019
Support Services-Instructional Staff	391,870	384,831	244,464	242,184	240,179	274,733	272,111	236,842	204,985	140,766
General Administration	608,295	546,300	1,099,480	952,334	1,118,199	1,381,969	1,252,551	1,298,922	1,130,489	1,106,096
School Administration	1,221,308	1,163,505	1,146,352	1,156,257	1,215,743	1,133,045	1,089,642	1,077,257	1,127,162	1,128,165
Operations and Maintenance	3,713,559	4,077,495	3,164,271	3,366,796	3,735,964	3,195,926	3,249,126	2,798,823	2,992,546	2,438,200
Student Transportation	1,512,879	1,370,160	1,321,189	1,226,461	1,289,692	1,389,578	1,327,173	1,213,666	1,017,727	856,623
Business and Other Support Services:										
Employee Benefits	5,062,854	5,537,967	5,392,788	5,185,713	4,928,433	4,588,218	4,631,337	4,525,984	4,498,172	4,124,286
Other							421,307	393,400	437,737	383,799
Food Services										
On-behalf TPAF Pension Contributions	1,659,482	2,059,099	1,394,462	997,852	827,906	879,127	1,997,596	1,929,332	992,340	791,933
Reimbursed TPAF Social Security										
Contributions	1,052,864	1,072,966	1,093,330	1,079,420	1,104,685	1,035,687	976,188	958,135	944,824	944,612
Total Undistributed	21,532,197	22,199,381	20,800,714	19,660,302	20,055,374	19,109,464	20,063,035	18,848,836	17,754,105	15,886,635
Capital Outlay:										
Equipment		520,063	530,885	532,837	176,955	914,523	462,010	663,857	361,441	420,397
Facilities Acquisition and Construction	3,547,654									
Services			25,174	15,342	228,086		46,758	160,548	747,597	82,773
Lease Purchase Agreements								71,830	98,169	108,203
Assets Acquired Under Capital Leases				1,250,000	50,508	231,388			118,792	86,094
Total Capital Outlay	3,547,654	520,063	556,059	1,798,179	455,549	1,145,911	508,768	896,235	1,325,999	697,467
Special Schools	59,818	56,397	62,300	59,203	48,549	43,379	48,115	66,424	51,491	50,480
Total General Fund Expenditures	39,882,772	37,177,636	35,411,259	35,126,004	34,361,921	33,618,075	33,430,355	32,456,834	31,946,737	28,691,163
Special Revenue:										
Federal	549,105	522,090	533,461	782,047	709,825	554,328	509,229	590,649	504,688	470,622
State	88,206	143,717	141,739	109,706	128,250	123,682	140,380	105,689	123,838	122,686
Other			134,091	16,988	7,559	11,446	16,545	31,057	23,585	23,585
Total Special Revenue Expenditures	637,311	665,807	809,291	908,741	845,634	789,456	666,154	727,405	660,924	616,893
Debt Service Expenditures	1,003,550	1,107,870	1,107,475	1,103,025	1,097,825	1,286,125	1,257,675	1,254,893	1,242,400	1,235,575
Total Governmental Fund Expenditures	41,523,633	38,951,313	37,328,025	37,137,770	36,305,380	35,673,656	35,354,184	34,439,132	33,850,061	30,533,631

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Excess (Deficiency) of revenues over (under) expenditures	(1,399,721)	994,106	1,102,033	(318,198)	87,253	258,114	394,934	510,067	(1,630,847)	195,170
Other Financing sources (uses)										
Proceeds from borrowing	1,790,295			1,250,000	50,508	231,388	-	-	118,792	-
Capital leases (non-budgeted)							-		-	86,094
Proceeds from refunding	(5)	(214,065)					-		-	-
Fund balance adjustment	1,983,457				684	383	848		60,538	209,790
Transfers in	(1,983,457)		536						-	-
Transfers out			(1,033,824)						-	-
Total other financing sources (uses)	1,790,290	(214,065)	(1,033,288)	1,250,000	51,192	231,771	848	-	179,330	295,884
Net change in fund balances	\$ 390,569	\$ 780,041	\$ 68,745	\$ 931,802	\$ 138,445	\$ 489,885	\$ 395,782	\$ 510,067	\$ (1,451,517)	\$ 491,054
Debt service as a percentage of noncapital expenditures	2.64%	2.88%	3.01%	3.12%	3.06%	3.67%	3.61%	3.74%	3.82%	4.14%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>TUITION</u>	<u>INTEREST ON INVESTMENTS</u>	<u>TRANSPORTATION FEES</u>	<u>RENTAL OF FACILITIES</u>	<u>PRIOR YEAR REFUNDS</u>	<u>INSURANCE REIMBURSEMENTS</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2014								
2013	85,893	118,420	11,876	28,150	46,924	93,877	229,090	614,230

Source: District Records

REVENUE CAPACITY

Exhibit J-6

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2004	1,089,763,100	2,098,927,400	51.92%
2005	1,091,083,600	2,310,638,700	47.22%
2006	1,088,120,600	2,525,227,700	43.09%
2007	1,091,066,500	2,810,656,896	39.11%
2008	1,091,537,131	3,033,248,401	35.99%
2009	1,091,066,500	3,018,340,543	36.15%
2010	1,100,810,619	2,911,049,232	37.81%
2011	1,110,094,577	2,828,141,764	39.25%
2012	1,108,732,175	2,811,225,426	39.22%
2013	1,107,981,757	2,674,955,492	41.42%

Source: Abstract of Ratables, Union County Board of Taxation.

Exhibit J-7

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 PER \$100 OF ASSESSED VALUATION
 LAST TEN FISCAL YEARS
 UNAUDITED

Assessment Year	Township of Springfield School District	Regional High School	Springfield Township	Open Spaces	Union County	Total
2004	2.42	-	1.33	0.03	0.78	4.55
2005	2.52	-	1.45	0.03	0.84	4.83
2006	2.67	-	1.58	0.04	0.85	5.08
2007	2.74	-	1.60	0.04	0.86	5.24
2008	2.84	-	1.70	0.04	0.91	5.49
2009	2.85	-	1.78	0.04	0.95	5.62
2010	2.99	-	1.73	0.04	1.02	5.78
2011	3.02	-	1.96	0.04	1.09	6.11
2012	3.08	-	2.02	0.04	1.14	6.27
2013	3.32	-	2.05	0.03	1.16	6.57

Source: Tax Collector.

Exhibit J-8

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2013**

Taxpayer	Assessed Valuation 2013	As a % of District's Net Assessed Valuation
Baltusrol Golf Club	\$ 22,802,900	2.06%
Short Hills Club Village, LLC	12,244,000	1.11%
Springfield Gardens, LLC	11,856,100	1.07%
Skyline Ridge Developers, LLC	9,855,000	0.89%
Toresco Automotive Property Holding	9,780,300	0.88%
Segal Realty Company, LLC	9,120,000	0.82%
The Villas	6,600,000	0.60%
ARC Springfield LLC	6,351,700	0.57%
Springfield Associates	6,237,400	0.56%
Briant Park Commons	6,182,400	0.56%
Total	\$ 101,029,800	9.12%

Source: Municipal Tax Collector

Exhibit J-9

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2004	49,685,608	49,152,977	98.93%
2005	52,750,693	51,940,527	98.46%
2006	55,309,437	54,761,561	99.01%
2007	57,173,743	56,792,292	99.33%
2008	59,975,974	59,307,135	98.88%
2009	62,057,320	61,665,501	99.37%
2010	64,609,405	64,026,431	99.10%
2011	67,881,993	67,181,452	98.97%
2012	69,674,450	69,150,646	99.25%
2013	71,072,355	70,226,764	98.81%

Source: Township of Springfield Tax Collector.

DEBT CAPACITY

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
For the Year Ended June 30, 2014

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Capital Leases	Total District		
2014 \$	7,530,000 \$	1,342,219 \$	- \$	8,872,219	0.98%	\$ 527

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Exhibit J-11

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2004	14,429	1,089,763,100	14,584,000	1.34%	1,011
2005	14,738	1,091,083,600	13,879,000	1.27%	942
2006	14,717	1,088,120,600	13,139,000	1.21%	893
2007	14,735	1,091,066,500	12,369,000	1.13%	839
2008	14,829	1,091,537,131	11,564,000	1.06%	780
2009	15,200	1,091,066,500	10,904,000	1.00%	717
2010	15,817	1,100,810,619	10,219,000	0.93%	646
2011	15,907	1,110,094,577	9,509,000	0.86%	598
2012	16,862	1,108,732,175	8,285,000	0.75%	491
2013	16,824	1,107,981,757	7,530,000	0.68%	448

Source: Data regarding school district population was given by school district officials.

Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

Exhibit J-12

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Net Direct Debt of School District as of June 30, 2014		\$ 7,530,000
Net Overlapping Debt of School District:		
Township of Springfield (100%)	\$ 227,400,000	
* County of Union - Township's share (9.63%)	<u>22,411,217</u>	
		<u>249,811,217</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2014		\$ <u><u>257,341,217</u></u>

Source: Township of Springfield Chief Financial Officer and Union County Treasurer's Office.

* Since updated information was not available at the time of the Audit, prior year information was reported.

Exhibit J-13

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
FOR FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Equalized Valuation Basis		\$ 2,674,955,492
School borrowing margin (4% of \$2,811,225,426)	\$ 106,998,220	
Net bonded school debt as of June 30, 2013	<u>7,530,000</u>	
School borrow margin available	\$ <u><u>99,468,220</u></u>	

Source: Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-14

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Union County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2004	2.90%	42,064	14,739
2005	1.60%	44,062	14,717
2006	1.70%	47,851	14,717
2007	1.50%	51,054	14,735
2008	5.80%	51,539	14,829
2009	3.50%	49,040	15,200
2010	3.50%	49,040	15,817
2011	3.50%	50,448	15,907
2012	3.50%	51,860	16,862
2013	6.80%	53,816	16,824

Source: Per Capita Income of County of Union from the U.S. Department of Commerce.
School District Population from the U.S. Bureau of the Census, Population Division.

2014

N/A - Data Not Available

OPERATING INFORMATION

Exhibit J-16

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
For the Year Ended June 30, 2014

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction			
Regular	141	143	143
Special education	93	94	94
Other special education	8	8	8
Vocational	-		
Other instruction	2	2	2
Nonpublic school programs	-		
Adult/continuing education programs	-		
Support Services:			
Student & instruction related services	13	13	13
General administration	4	4	4
School administrative services	14	14	14
Other administrative services	-		
Central services	-		
Administrative Information Technology	1	1	1
Plant operations and maintenance	29	29	29
Pupil transportation	7	7	7
Other support services	6	6	6
Special Schools	-		
Food Service	-		
Child Care	17	17	17
Total	<u>335</u>	<u>338</u>	<u>338</u>

Source: District Personnel Records

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Operating Statistics,
For the Year Ended June 30, 2014

Fiscal Year	Pupil/Teacher Ratio							Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Senior High School			
2012	2,172	\$ 35,664,491	\$ 16,420	-0.08%	207	20:1	21:1	23:1	2070.2	1.48%	95.33%
2013	2,251	\$ 37,323,380	\$ 16,581	0.90%	207	20:1	21:1	23:1	2,137.1	3.04%	94.94%
2014	2,311	\$ 36,972,429	\$ 15,998	-3.51%	207	20:1	21:1	23:1	2,204.5	6.49%	95.39%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Township of Springfield School District
School Building Information
Last Ten Fiscal Years

District Building**Elementary/Middle Schools**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Walton										
Square Feet	31,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00
Capacity (students)	432.00	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65
Enrollment	288.00	578.00	566.00	556.00	543.00	629.00	659.00	631.00	667.00	634.00
Sandmeier										
Square Feet	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00
Capacity (students)	360.00	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30
Enrollment	301.00	233.00	232.00	228.00	227.00	234.00	215.00	237.00	243.00	240.00
Caldwell										
Square Feet	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00
Capacity (students)	337.50	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70
Enrollment	301.00	233.00	221.00	223.00	226.00	212.00	225.00	238.00	273.00	245.00
FMG										
Square Feet	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00
Capacity (students)	517.50	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45
Enrollment	597.00	470.00	449.00	453.00	448.00	481.00	479.00	470.00	444.00	492.00
High School										
JDHS										
Square Feet	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00
Capacity (students)	630.00	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35
Enrollment	552.50	535.50	553.00	550.00	575.00	589.00	608.00	596.00	624.00	618.00

Number of Schools at June 30, 2013

Elementary 3
Middle Sch 1
High Sch 1

Source District Facilities Office (LRFP)
October 15, Enrollment data

Exhibit J-19

**Township of Springfield School District
General Fund
Schedule Of Required Maintenance For School Facilities
For the Years Ended June 30, 2013 and 2014**

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

<u>*School Facilities</u>	<u>School Number</u>	<u>2013</u>	<u>2014</u>
Jonathan Dayton High School	010	589,134	616,438
Edward V. Walton	050	260,169	153,285
Florence M. Gaudineer	060	280,446	206,124
James Caldwell	070	125,162	64,535
Thelma L. Sandmeir	090	135,294	51,803
 Total School Facilities		<u><u>\$1,390,205</u></u>	<u><u>\$1,092,185</u></u>

*School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Exhibit J-20

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
INSURANCE SCHEDULE
June 30, 2014
UNAUDITED**

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
Multi Peril Package Policy		
Zurich Insurance:		
Property - Building and Contents	\$ 138,090,127	\$ 5,000
Liability - Bodily Injury & Property Damage	1,000,000	1,000
Liability - Employee Benefit Programs	1,000,000	
Crime - Employee Dishonesty	500,000	
Crime - Forgery	100,000	
Crime - Computer Fraud	50,000	
Inland Marine - Electronic Data Processing Hardware (software included)	5,000,000	
Errors & Omissions Liability		
NJSBAIG:		
Each Claim	10,000,000	
Workers Compensation		
NJSBAIG:		
Each Accident; Each Employee	2,000,000	
Umbrella		
Zurich Insurance:		
Limit	10,000,000	
CAP		
Firemans Fund:		
Limit	50,000,000	
Student Accident		
Bollinger:		
Compulsory Coverage	5,000,000	
Public Official Bonds		
Selective Insurance:		
Treasurer	245,000	
Board Secretary	105,000	
Travel Accident		
Chubb:		
Member (per week)	1,500	
Environmental Site Liability		
Chubb:		
Each Incident	1,000,000	10,000

Source: District records.

SINGLE AUDIT SECTION

CANNONE AND COMPANY, P.A.

Certified Public Accountants

485 Morris Avenue

Springfield, New Jersey 07081

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MEMBER:

American Society of Certified Public Accountants

New Jersey Society of Certified Public Accountants

K-1

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

The Honorable President and
Members of the Board of Education
Township of Springfield School District
County of Union
Springfield, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Springfield School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Township of Springfield School District's basic financial statements, and have issued our report thereon dated November 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Springfield School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Springfield School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Springfield School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

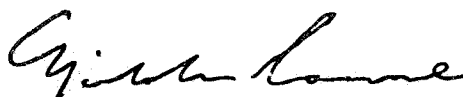
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Springfield School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the management of the Township of Springfield School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

November 30, 2014

Certified Public Accountants

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Springfield, New Jersey 07081
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MEMBER:

American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

K-2

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and the New Jersey Circular 04-04-OMB

The Honorable President and
Members of the Board of Education
Township of Springfield School District
County of Union
Springfield, New Jersey

Report on Compliance for Each Major Federal Program

We have audited the Board of Education of the Township of Springfield School District, in the County of Union, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2014. The Township of Springfield School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Springfield School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the New Jersey State Aid/Grant Compliance

Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Springfield School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Township of Springfield School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Springfield School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures did not disclose instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133, the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal and state program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of the Township of Springfield School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Springfield School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid but not for the purpose of expressing an opinion on the effectiveness of internal control over

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance Required by OMB Circular A-133 and State Financial Assistance

We have audited the financial statements of the Township of Springfield School District as of and for the year ended June 30, 2014, and have issued our report thereon dated November 30, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our

opinion, the schedule of expenditure of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements

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This report is intended solely for the information of the management of the Township of Springfield School Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

November 30, 2014

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013		Due to Grantor	Carryover Amount	Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Deferred Revenue June 30, 2013	(Accounts Receivable) June 30, 2014	Due to Grantor at June 30, 2014
					Deferred Revenue (Accounts Receivable)										
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	7/1/13-6/30/14	\$ 19,932	\$	\$ 19,932	0	0	0	\$ 19,932	\$ (19,932)	0	\$	\$	0
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	120,870	(22,363)	112,004				112,004	(120,870)			(8,866)	
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	107,193		22,363				22,363					
Total U.S. Department of Agriculture															
					(22,363)	154,299	0	0	0	154,299	(140,802)	0	0	(8,866)	0
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
NCLB Title I - Part A	84.000	IASA-5000-14	9/1/13-8/31/14	86,091							(86,091)			(86,091)	
NCLB Title I - Part A	84.000	IASA-5000-13	9/1/12-8/31/13	62,961	(53,048)	53,048				53,048					
NCLB Title I - Part A	84.000	IASA-5000-12	9/1/11-8/31/12	46,053	(2,620)	2,620				2,620					
NCLB Title II - Part A	84.000	IASA-5000-14	9/1/13-8/31/14	27,901							(27,901)			(27,901)	
NCLB Title II - Part A	84.000	IASA-5000-13	9/1/12-8/31/13	27,960	(4,025)	4,025				4,025					
NCLB Title II - Part A	84.000	IASA-5000-12	9/1/11-8/31/12	32,294	(1,524)	1,524				1,524					
NCLB Title III - Part A	84.000	IASA-5000-14	9/1/13-8/31/14	6,693							(6,693)			(6,693)	
NCLB Title III - Part A	84.000	IASA-5000-13	9/1/12-8/31/13	8,094	(8,094)	6,316				6,316				(1,778)	
NCLB Title III - Part A	84.000	IASA-5000-12	9/1/11-8/31/12	10,352	(559)	559				559					
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-14	9/1/13-8/31/14	418,223		130,283				130,283	(404,813)			(274,530)	
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-13	9/1/12-8/31/13	431,352	(351,981)	351,814				351,814				(167)	
I.D.E.A. Part B, Preschool	84.173	PS-5000-14	9/1/13-8/31/14	15,598		15,598				15,598	(15,598)				
I.D.E.A. Part B, Preschool	84.173	PS-5000-13	9/1/12-8/31/13	16,594	(15,573)	15,573				15,573					
Total U.S. Department of Education															
					(437,424)	581,360	0	0	0	581,360	(541,096)	0	0	(397,160)	0
Total Federal Financial Assistance															
				\$	(459,787)	\$ 735,659	\$ 0	\$ 0	\$ 0	\$ 735,659	\$ (681,898)	\$ 0	\$ 0	(406,026)	\$

See accompanying notes to schedules of financial assistance.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2013		Prior Year Accounts Payable/ Receivable	Cashed Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Deferred Revenue June 30, 2014	GAAP (Accounts Receivable) June 30, 2014	Due to Grantor at June 30, 2014	Memo	
				Deferred Revenue (Accounts Receivable)	Due to Grantor								Budgetary Accounts Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	\$ 741,350	\$ (73,198)	\$	\$	\$ 673,263	\$ (743,150)	\$	\$	\$	\$	\$ (69,887)	\$ 743,150
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	753,009				73,198							753,009
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	39,644	(3,267)			35,966	(39,644)					(3,678)	35,644
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	33,606				62,146	(66,276)					(6,130)	33,606
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	64,455	(6,266)			415,985	(458,898)					(42,913)	64,455
Transportation Aid	13-495-034-5120-068	7/1/12-6/30/13	458,898				24,904						(306,683)	485,898
School Choice	13-495-034-5120-068	7/1/12-6/30-13	256,196				289,086	(22,311)					(22,311)	256,196
School Choice	14-100-034-5120-068	7/1/13-6/30/14	306,683	(289,086)			24,708	(628,681)					(54,282)	306,683
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	22,311				1,030,801	(1,030,801)						22,311
Extraordinary Aid	14-100-034-5120-068	7/1/13-6/30/14	24,708	(24,708)			988,582	(1,052,864)					(54,282)	1,052,864
NonPublic Transportation	13-100-034-5120-473	7/1/12-6/30/13	628,681				53,443							628,681
On Behalf of TPAF Pension Contributions	14-495-034-5095-006	7/1/13-6/30/14	1,030,801											1,030,801
Reimbursed TPAF Social Security	14-495-034-5095-001	7/1/13-6/30/14	1,052,864											1,052,864
Reimbursed TPAF Social Security	13-495-034-5095-002	7/1/12-6/30/13	1,072,966	(53,443)										1,072,966
Contributions														
Total General Fund				\$ (474,872)	\$ 0	\$ 0	\$ 4,320,296	\$ (4,351,308)	\$ 0	\$ 0	\$ (383,276)	\$ 0	\$ (505,884)	\$ 6,872,334
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	9,654				9,654	(9,576)				(76)		9,576
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	13,348		384		13,587	(11,413)				(2,174)		11,413
Nursing Services	13-100-034-5120-070	7/1/12-6/30/13	3,520				3,520	(3,500)	(384)			(20)		3,500
Technology Services	14-100-034-5120-373	7/1/12-6/30/13	3,549		17		8,124	(6,528)	(17)			(1,596)		3,532
Examination and Classification	13-100-034-5120-066	7/1/13-6/30/13	8,124				7,632	(4,857)	(1,915)			(2,775)		6,528
Examination and Classification	14-100-034-5120-066	7/1/12-6/30/14	14,651		1,915									12,736
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	7,632		698				(698)					4,857
Supplemental Instruction	13-100-034-5120-066	7/1/12-6/30/13	7,632											6,934
Auxiliary Services:														
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	42,799				42,799	(41,943)				(856)		41,943
Compensatory Education	13-100-034-5120-067	7/1/12-6/30/13	49,329		6,889		1,920	(1,920)	(6,889)					6,889
English as a Second Language	14-100-034-5120-067	7/1/13-6/30/14	1,705		1,705									1,920
English as a Second Language	13-100-034-5120-067	7/1/12-6/30/13	1,705			(1,705)							(645)	1,705
Home Instruction	14-100-034-5120-067	7/1/13-6/30/14	3,137				3,137	(3,137)						645
Handicapped Services:														
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	6,250		7,031		6,250	(4,687)	(7,031)			(1,563)		4,687
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	10,937											3,906
Total Special Revenue Fund				\$ 0	\$ 18,439	\$ (1,705)	\$ 96,623	\$ (88,206)	\$ (16,734)	\$ 0	\$ (645)	\$ (9,062)	\$ (645)	\$ 136,672
Enterprise Fund:														
National School Lunch Program (State)	14-100-034-5120-122	7/1/13-6/30/14	4,328				4,025	(4,328)						0
National School Lunch Program (State)	13-100-034-5120-122	7/1/12-6/30/13	4,700	(884)			884							
Total Enterprise Fund				\$ (884)	\$ 0	\$ 0	\$ 4,909	\$ (4,328)	\$ 0	\$ 0	\$ (303)	\$ 0	\$ 0	\$ 0
Total State Financial Assistance				\$ (475,756)	\$ 18,439	\$ (1,705)	\$ 4,421,828	\$ (4,443,842)	\$ (16,734)	\$ 0	\$ (384,224)	\$ (9,062)	\$ (506,529)	\$ 7,009,006

See accompanying notes to schedules of financial assistance.

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TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
 JUNE 30, 2014

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Township of Springfield School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 to the Board's general purpose financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis for the General Fund is (\$14,974) and for the Special Revenue Fund is \$8,009. Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 4,336,642	\$ 4,336,642
Special Revenue Fund	549,105	88,206	\$ 637,311
Capital Projects Fund	-	14,236	14,236
Food Service	140,802	4,328	145,130
Total Financial Assistance	<u>\$ 689,907</u>	<u>\$ 4,443,412</u>	<u>\$ 5,133,319</u>

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TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2014

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified, dated
November 30, 2014

Internal control over financial reporting:

1. Material weakness(es) identified? yes ✓ no
2. Significant Deficiencies identified that are not
considered to be material weaknesses? yes ✓ none reported

Noncompliance material to general-purpose financial
statements noted? yes ✓ no

Federal Awards and State Financial Assistance

Internal control over major programs:

1. Material weakness(es) identified? yes ✓ no
2. Significant Deficiencies identified that are not
considered to be material weaknesses? yes ✓ none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated
November 30, 2014

Any audit findings disclosed that are required to be reported
in accordance with section .510(a) of Circular A-133? yes ✓ no

Any audit findings disclosed that are required to be reported
in accordance with NJOMB Circular Letter 04-04? yes ✓ no

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section I - Summary of Auditor's Results (Continued)

Federal Awards and State Financial Assistance (Continued)

Dollar threshold used to distinguish between
type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

✓ yes no

Identification of major programs:

Name of Federal/State Program or Cluster

Federal Awards:

CFDA Number

84.027

I.D.E.A. Part B, Basic Regular

State Financial Assistance:

State Grant Number

14-495-034-5120-089

Special Education Aid
(State Aid Public Cluster)

14-495-034-5120-084

Security Aid
(State Aid Public Cluster)

14-495-034-5120-014

Transportation Aid
(State Aid Public Cluster)

14-495-034-5120-068

School Choice
(State Aid Public Cluster)

14-495-034-5095-002

Reimbursed TPAF Social Security Contributions

14-100-034-5120-473

Extraordinary Aid

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section II - Schedule of Financial Statement Findings

No federal or state award findings or questioned costs were noted that are required to be reported in accordance with OMB Circular A-133 or NJ OMB 98-07.

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**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Section III - Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

No federal or state award findings or questioned costs were noted that are required to be reported in accordance with OMB Circular A-133 or NJ OMB 98-07.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations.

N/A